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Southeast Asia Report

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MILITS

PARLIAMENTARY CONSISTED DISCUSSES INVESTMENTS—The House of Representatives hopes to upgrade investments in the economic sector during 1985-86 at an annual rate of 5 percent. The Functional Group Faction expressed this at a Parliament Eudget Committee meeting with the finance minister in Jakarta this morning. According to the Indonesian economist S. Tahir, Indonesia's economic growth for 1984 is only 4.2 percent. The Indonesian Democratic Party spokesman thinks that allocations for education and for youth programs should be raised, as these investments in manpower will pay off during the nex. 20 to 50 years. Armed Faction spokesman Malyadi says the realization of the 1984-85 budget is realistic, taking into account the world's current economic situation. Meanwhile, United Development Front spokesman, Jayusman predicts that the 1985-86 state budget will reach 24 trillion rupiahs, an increase of 19 percent over the 1984-85 state budget. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 29 Nov 84 BK]

THREE WESTERN DIPLOMATS END VISIT—Three diplomats based in Indonesia—from Canada, New Zealand and Great Britain—consider the development process in Last Timo: to be successful even though it has been undertaken by the Indonesian Government in only a relatively short period. As a result, the people in the territory have a bright future. The three diplomats made their remarks in Dili yesterday moments before returning to Jakarta following a 5-day visit to East Timor Province. The three said that their countries would not interfere in the East Timor issue because they realized that the East Timor people had incorporated the territory into the unitary state of the Republic of Indonesia of their own free will. They will report in detail to their respective governments the outcome of their visit, particularly with respect to successes in development. The three are Ambassadors Powles of New Zealand and Maldwyn Thomas of Canada, and (MacGarrett), representing the British ambassadors. [Text] [Jakarta Domestic Service in Indonesian 2300 GTT 30 Nov 84 BK]

CSO: 4213/66

KPNLF SOK SANH OUTPOST PROFILED

Bangkok BANGKOK POST in English 12 Nov 84 p 5

[Article by Almerigo Grilz and Gian Micalessin]

[Text]

THOSE who saw Francis Ford Coppola's film "Apocalypse Now" in which extensive footage was devoted to the desolate outpost commanded by the US military rebel, Colonel Kurtz, will find it easy to visualise Sok Sanh base.

It is located on top of a foggy, jungle-covered mountain with an unhealthy climate and high annual rainfall. The area is mosquito-infested area and up to 80% of the people are suffering from malaria. The number of disabled people at the camp is partially accounted for by the scores of mines strewn around the jungle perimeter.

It is from this bleak and forgotten stronghold that the KPNLF (Khmer People's National Liberation Frunt) is "launching its deepest guerrilla operations inside Vietnamese-occupied Kampuchea," Doctor Abdul Gaffar, a senior member of the KPNLF's executive committee, told us. Twice, in March '82 and April '84, Hunos troops stormed and captured the camp, trying to get rid of the very active resistance centre. "Last April they shelled the base and civilian villages with heavy artillery. 122, 130 and 155 mm gunn, Ream Rhitthy, 59, who is camp commander, told us. "Because we had nothing to match such weapons, we had to retreat. The Vietnamese E 12 infantry regiment, a special mountain warfare unit, invaded the area and burned down everything." Blackened trees, debris and destroyed huts bear evidence of the destruction.

But, after a period of regrouping the nationalist forces counter-attacked and on June 2nd Hanoo's troops were forced to withdraw from part of the occupied area. The base was rebuilt once more

Before leaving. Vietnamese soldiers laid hundreds of mines on the paths and in the jungle. Ream Ritthy showed us one of the anti-personnel devices left behind by enemy soldiers if was a ruagh, wooden box, with 200 grammes of TNT wrapped in a greenish paper. Russian characters printed on it showed the explosive's origin. When an unwary soldier steps on one of these mines, a detinator (also made in the USSR) triggers the blast. Injuries are generally so severe that amputation is the only way to save the victim's life.

The number of mutilated people hobbling around on crutches in the civilian village is one of the most striking aspects of Sok Sanh

Living conditions, for civilians and for the military alike, are notably worse here than in other KPNLF border camps. Also the village, where most of the 10,000 people live, is barely accessible from the outside world. During the rainy season only a tractor can travel on the muddy track from here to the Thai border checkpoint, many kilometres distant. To reach the military base, the mountain must be climbed on fact.

Civilian villagers have to walk for hours, often cinking up to their knees in mud, to carry United Nations Border Relief Organisation food supplies to their families Ductors from COERR (Cotholic Office for Emergency Relief and Refugeer) help out, usually making visits twice a week, but the village's hospital is permanently manned only to one male nurse, Rocum Sareth, 33,

who's worked there since 1979. "The situation is very difficult. At the moment we have 120 people in our hospital almost all with malaria. A lot of the cases involve cerebral, malaria, the most dangerous kind," he said.

Reoum Sareth confirmed reports that chemical weapons had been used in attacks on the encampments. There were two attacks, one in March '82 and another in December last year. A lot of people, including myself, saw the 'yellow rain' on the leaves Immediate results were weakness and difficulty in walking, but very unusual diseases appeared later with about 180 cases involving severe respiratory problems," he said.

"After a month there was an upsurge in malaria cases with complications that we had never seen before such as blood in the urine and people vomiting fresh blood. Thirty patients died. After the second attack fish died in streams and were horribly discoloured."

A look at the base's defence lines gave us a possible explanation as to why the Vietnamese resorted to use of a strong incapacitating chemical weapon against. Sok Sanh. The nationalists have dug a network of trenches and bunkers through the jungle and on the ridges and hold dominant positions on the hills, giving them ample opportunity to shoot down enemy attackers.

The terrain is very steep and the thick forest in front of the trenches is strewn with mines and booby traps. Tanks cannot be used and any infantry assault would be very costly. Also, massive artillery bombings, such as the one last April, would not guarantee the automatic collapse of the defenders.

The soldiers we saw on garrison duty seemed generally tough people, hardened by years of privations, difficulties and war; some of them have even, forgotten what a normal life is like Their relatives were all dead or had

disappeared In their jungle nome they have no comforts, at most a hammock and waterproof sheet to take shelter from the rain. Very few have escaped malaria. Their only relaxation comes in the form of temporary reunions with their families in the refugee camp. They like to call it a village, but it is one of the most isolated and neglected communities along the Thai-Kampuchean border. Contacts with the outside world are reduced to a minimum.

One evening in the Headquarters hut, while we were having dinner, a nurse was treating a malaria-stricken soldier. The man was lying on the same long bamboo table where we were eating. He was verging on a coma and apparently in great pain, but, despite this, his case was classified as "not serious" by the camp commander.

Surviving under such conditions is no mean feat, but the KPNLF cannot be just satisfied with living in camps on the border. "We are continuously infiltrating into Kampuchea, especially Battambong and Pursat provinces. claimed Del Noeun, 35, commander of the 407th Battalion "When it's possible to collect good information from local villagers we organise ambushes and raids on enemy forces. But our main aim, at the moment, is to publicise the goals of our struggle, rallying people to the cause of the resistance. This we're mostly doing by distributing leaflets and with underground work and contacts. Sometimes, on the advice of our local agents, it is possible to have public meetings with Khmer villagers in isolated spots

Many groups of nationalist soldiers are on missions behind Vietnamese lines, we were told In spite of being faced by a screen of Hanoi forces, belonging to the F 59 Division, they can still slip through easily As a matter of fact, some of the battalions we met on our visit to the frontline had their

commander and part of their strength out on operations

Not surprisingly, many soldiers look forward to a clash against their enemy After so much hardship and the endless waiting and watching from the trenches, direct military action is a time for revenge. "And now things are better," claimed Louth Long, 36, the commander of the 40th Battalion, his chest and arms tattooed with traditional Khmer Buddhist signs. "Now it is not so hard to get information and popular support for us is growing. Our biggest problem is still the lack of proper weapons and especially ammunition, "he said."

According to the KPNLF's experienced officers, only a few special units of the Vietnamese Army seem strongly motivated, while the average Hanoi soldier does not feel committed to the war and prefers to avoid risks. "Several times we have seen Vietnamese run from us, throwing away their weapons in the process," said Del Noeun.

We were unable to confirm this claim, but proof of the fighting effectiveness of the Sok Sanh-based forces lay in the dozens of Vietnamese jungle helmets piled up in the headquarters.

The situation on the front is reasonably quiet at present. "After some unsuccessful attempts to dislodge the enemy troops we changed our strategy," commander Ream Ritthy said "By fighting here we cannot achieve much. We believe that constant infiltration is much more important."

But certainly the Vietnamese positions and guns a few kilometres from the base pose a challenge to its very existence. Hanoi's soldiers are concealed in their bunkers on the slopes, often hidden in the mist. And the defenders of Sok Sanh may well be facing another major offensive soon, now the dry season is here.

CSO: 4200/224

SPK HAILS FORTHCOMING VISIT BY POLISH DELEGATION

BK260706 Plinom Penh SPK in French 0426 CMT 25 Nov 84

["The Kampuchean-Polish Relations of Friendship and Cooperation Do Not Cease To Strengthen"--SPK headline]

[Text] Phnom Penn, 25 Nov (SPK)—The forthcoming visit to Kampuchea of a delegation of the Polish National Assembly led by its first vice chairman, Professor Doctor Zbigniew Gertych, will contribute to further strengthening the relations of friendship and cooperation between the two countries.

Kampuchea and Poland, despite being geographically distant from each other, are united by bonds of internationalist solidarity in their struggle for the same objectives: peace, freedom, national independence, and socialism.

Kampuchea and Poland furthermore have a common point in their history: one lost more than 3 million of its inhabitants by the genocidal Pol Pot clique and the other experienced a horrible tragedy under littlerite fascism, which caused the deaths of more than 6 million of its people and destroyed 36 percent of its patrimony or \$16.9 billion.

Together with the other countries of the socialist community, the People's Republic of Poland has brought precious assistance to the Kampuchean people in their national defense and reconstruction efforts since liberation on 7 January 1979 and has contributed actively to their struggle at all international forums.

The relations of friendship and cooperation between Kampuchea and Poland have been consolidated by the visit to Poland of Kampuchea's Council of Ministers Chairman Chan Si last August, at the end of which agreements on all-round cooperation were signed between the two countries.

During the 40 years of their socialist construction, the Polish people, under the wise leadership of the Polish United Workers Party, have succeeded in surmounting many difficulties and won great successes in developing the national economy. Lately, the Polish United Workers Party, headed by W. Jaruzelski; the state authorities, the army, and the patriotic forces of the working class and of the Polish people have succeeded in crushing all enemy forces aided by international centers of imperialism and reaction in their attempts

to slow down the course of history, to separate Poland from the durable alliance with the Soviet Union, from the Warsaw Pact, and from the Council of Mutual Economic Assistance; to annihilate the gains of socialist Poland's 40 years of construction, and to destroy the whole socialist system.

The Kampuchean people are ready to fight shoulder to shoulder with the Polish working people, in particular, and with the peoples of other fraternal countries of the socialist community, in general, against the imperialists, expansionists, and other reactionary forces that have not yet given up their attempts to sabotage the gains of socialist construction and to try in all parts of the world to push all of mankind toward the holocaust of a nuclear war.

The Kampuchean people aspire for even more emphasis on the development of relations of friendship and cooperation between the two countries and would like to welcome the delegation of the Polish Kational Assembly in its visit to the hospitable land of Angkor.

USG. 4219/16

YOUTH MEETING NOTES IMPORTANCE OF FESTIVAL

BK271113 Phnom Penh SPK in English 1243 GMT 26 Nov 84

[Text] Phnom Penh, 26 Nov (SPK)--A meeting was held in Phnom Penh Monday morning in response to the 12th World Youth and Students Festival to be organized in the Soviet Union next year.

The meeting, sponsored by the organizing committee for the current Phnom Penh-Hanoi-Vientiane youth friendship and solidarity meeting, was attended, among others by Men Sam-an, member, and president of the Commission for Propaganda and Organization, of the Central Committee of the People's Revolutionary Party of Kampuchea and vice president of the Kampuchean Organization Committee for the 12th World Youth and Students Festival; Keo Chanda, mayor, and secretary of the KPRP committee of Phnom Penh; Kang Nem, secretary A.I. of the People's Revolutionary Youth Union of Kampuchea; Sam Sundoeun, president of the Association of Revolutionary Youth of Kampuchea; Anatoliy Pousay, secretary of the Komsomol in Kampuchea; and delegates to the current meeting of the youth of the three Indochinese capitals.

The main address was given by Men Sam-an, who said that the Phnom Penh-Hanoi-Vientiane youth meeting would further enhance the spirit of patriotism and proletarian internationalism among the youth of the three Indochinese countries, as an effective weapon against perfidious moves of the Chinese expansionists and hegemonists in their sinister collusion with U.S. imperialism and other reactionary forces against the revolution of Kampuchea, Vietnam and Laos. This meeting, she added, will cement the unity of democratic youth all over the world in the struggle for peace and friendship.

The meeting was next addressed by Anatoliy Pousay. At the end, Tran Van Tuan, head of the Vietnamese delegation, read a message addressed to the participants to the International Preparatory Committee for the 12th World Youth and Students Festival. The message reads:

"We representatives of the youth of Phnom Penh, Hanoi and Vientiane to this friendship and solidarity meeting of young people of the capital cities of Kampuchea, Vietnam and Laos, warmly welcome and fully support the 12th World Youth and Students Festival to be held in Moscow in the summer of 1985.

"At a moment when the world situation is becoming very dangerous as a result of the crazy arms race policy pursued by U.S.-led imperialism, the 12th World Youth and Students Festival, to be organized under the watchword (for anti-imperialist solidarity, peace and friendship), will be a show of force by democratic and progressive youth and students in the whole world in the struggle against the danger of a nuclear war posed by impetalism and international reaction, in defence of peace and the existence of all nations on this planet.

"We congratulate our young friends in the Soviet Union on their active preparations for the festival, and, like the Leninist Komsomols and other young people, we believe that the 12th festival will be a great success and will add a new page to the history of youth festivals.

"The present Phnom Penh meeting of the youth of the capital cities of Kampuchea, Vietnam and Laos is an activity dedicated to the 12th World Youth and Students Festival.

"The youth and students of Kampuchea, Vietnam and Laos in general, and of Phnom Penh, Hanoi and Vientiane in particular, will work actively to contribute worthily to the forthcoming world forum of friendship, anti-imperialist solidarity and peace.

CSO: 4200/240

BRIFFS

VIENTIANE YOUTH DELECATION HOMEWARD BOUND--Phnom Penh. 27 Nov (SPK)--A delegation of Vientiane youth left Phnom Penh Tuesday after a solidarity meeting of the youth of the three Indochinese capitals and the celebration of the 550th anniversary of Phnom Penh. The delegation, led by Kamphan Phanvongsa, secretary of the Vientiane Committee of the Lao People's Revolutionary Youth Union, was sent off at Pochentong Airport by Thong Khon, vice chairman of the Phnom Penh People's Revolutionary Committee, Phan Sokim, president of the Phnom Penh Committee of the Association of Revolutionary Youth of Kampuchea, and other Kampuchean officials. [Text] [Phnom Penh SPK in English 1118 CMT 27 Nov 84 BK]

HUN SEN ATTENDS PARIS MEETING—Phnom Penh, 30 Nov (SPK)—A delegation of the People's Republic of Kampuchea led by Foreign Minister Hun Sen on a visit to France has taken part in a meeting organized in Paris by the Association for the Development of Relations with Kampuchea (ADRAC). The meeting was attended by many professors, jurists, members of the ADRAC Council, and journalists. It dwelt on the situation in Kampuchea and Southeast Asia, and on measures for promoting relations between France and the PRK. The meeting took place in an atmosphere of cordiality and mutual understanding. [Text] [Phnom Penh SPK in English 1128 CMT 30 Nov 84 EK]

HANOI YOUTH DELEGATION DEPARTS--Phnom Penh, 27 Nov (SPK)--A delegation of Hanoi young people left Phnom Penh Thursday after the third solidarity meeting of the youth of the three Indochinese capitals. It was led by Tran Van Tuan, acting secretary of the Hanoi Committee of the Ho Chi Minh Communist Youth Union [and] was seen off at Pochentong Airport by Thong Khon, vice chairman [of] the Phnom Penh People's Revolutionary Committee, Phan Sokim, president of the Phnom Penh Committee of the Association of Revolutionary Youth of Kampuchea, and other Kampuchean officials. During its stay in Phnom Penh the delegation met with President Hong Samrin and other Kampuchean high-ranking officials. The delegation also visited exhibition on the 559th anniversary of the Phnom Penh City, the former royal palace, the Tuol Sleng Museum of Genocide, the Angkor Wat Temple and other places of historial interest.

[Text] [Phnom Penh SPK in English 1108 CMT 29 Nov 84 BK]

LAO LECTURERS ARRIVE--Phnom Penh, 29 Nov (SPK)--A group of lecturers from the LPRP led by Kham K. Savan, department head of the Propaganda and Education Commission of the LPRP Central Committee, arrived in Phnom Penh on Tuesday for a visit in Kampuchea. The group will basically be talking about progress in every field in Laos on the 9th anniversary of the country's National Day. [Text] [Phnom Penh SPK in French 0413 GMT 29 Nov 84 BK]

PUBLIC MEALTH DEVELOPMENT—Phoon Penh, 29 Nov (SPK)—Under the KPRP leader-ship, public health in Kampuchea has made a marked progress. There are 22 hospitals throughout the country, 124 district—level outpatient departments, 1,320 commune infirmaries, and 108 medical posts with a total personnel of 12,971. In Phoon Penh, there are six pharmaceutical research centers and factories. The Health Ministry has produced 1,965 health cadres, including 400 doctors and public health officers, and a large number of assistant doctors at the provincial level. [Summary] [Phoon Penh SPK in French 0409 GMT 29 Nov 84 BK]

DADIEL CHEYSSON CONCLUDES VISIT--Phnom Penh, 30 Nov (SPK)--Dadiel Cheysson, president of "SOS Cambodian Children" left Phnom Penh on 29 November at the end of her week-long visit to Kampuchea. She was seen off by Sam Hieng, wife of Kampuchean Minister of Foreign Affairs Hun Sen; Phlek Phirun, president of the Kampuchean Red Cross; Peou Lida, deputy general secretary of the HUFNCD National Council; and Ang Arun, department head of the Kampuchean Committee for the Protection of Mother and Child. During her stay, Dadiel Cheysson met with leaders of the Kampuchean party, government, and mass organizations. She also visited an orphanage, a child center in Phnom Penh, a number of public health establishments, and the Tuol Sleng Museum of Genocide. [Text] [Phnom Penh SPK in French 0500 GMT 30 Nov 34 BK]

CSO: 4219/16

PASASON ON THAT ATTITUDE TOWARD BORDER PROBLEM

BK301439 Vientiane KPL in English 0939 CMT 30 Nov 84

[Text] Vientiane, 30 Nov (KPL)--PASASON today comdemns the fresh Thai trick of diverting from the settlement of the Lao-Thai relations problem.

It is common knowledge that a worsening problem between the two neighbouring countries stems from the Thai troops' invasion and occupation of the three Lao border hamlets in Sayaboury Province, the paper makes a point. And with the aim to solve the problem, the Lao Covernment has continually forwarded to the Thai side its sincere intention aimed at normalizing the bilateral relations. Recently, the Lao ambassador to Thailand Khamphan Simmalavong during his meeting with senior Thai officials, reaffirmed the readiness of the Lao Government to solve the problem. But it is regrettable that Thailand has turned down the Lao sincerity, points out the paper.

Worse still, the paper says, the Thai foreign minister shamelessly claimed that the issue of the Mekong islands be included in the agenda of the possible future Lao-Thai border talks. Another point to show Thai reluctance to solve the pending problem, the paper claims, can be seen by the anti-Lao attitude of the secretary of the Thai National Security Council.

When he stated that the Lao-Thai relations problem could never be settled unless there will be amendments or a renewal of the treaty on Lao-Thai border delineation [sentence as received]. How can such a statement be pronounced by a senior official? He seemed to be totally ignorant of the legal binding nature and internationally acknowledged Franco-Siamese treaties on border delineation signed in 1904 and 1907, the paper stressed.

The current problem of Lao-Thai relations has resulted from the Thai invasion of the three Los border hamlets. The settlement of this problem should not be connected to any other pretexts but to complete withdrawal of Thai troops from the Lao territory.

Easing on the recent Thai officials' statement, it clearly shows that Thai land will try its utmost to carry out its pan-Thaism, to the extent that its move might have trodden on the dignity of its ancestors who signed the Franco-Siamese border treaties, concludes the paper.

CSO: 4200/243

PASASON DENOUNCES THAT CHARGE OF SRV ACCRESSION

BK291245 Vientiane KPL in English 0939 GMT 29 Nov 84

[Text] Vientiane, 29 Nov (KPL) -- The daily PASASON today denounces Thailand's slander campaign about a "Vietnamese aggression" along the Kampuchean-Thai border.

In its attempt to mislead public opinion, the paper says Thailand has submitted a letter of protest to the UN, declaring that its security is being strongly threatened by Vietnamese volunteer troops in the PRK. The presence of Vietnamese volunteer troops in the PPK is an internal matter of the two countries conforming with their bilateral cooperation treaty. The SR of Vietnam and the PR of Kampuchea have enjoyed long-standing fraternal relations. The presence of Vietnamese volunteers in Kampuchea to perform their proletarian internationalist duty toward the Kampuchean people has met the aspiration of the peoples of the two countries.

The paper continues to say that the PRK and the SRV have always declared their readiness to withdraw all Vietnamese volunteer troops as soon as the threat to the independence and territorial integrity of the PRK is completely ended. However, it is regrettable to boserve that the outside interference in the Kampuchean affairs is being intensified by the Thai reactionary circles and their master—China. The recent victory of the Kampuchean—Vietnamese forces over the Khmer reactionary groups at Nong Chan camp is what Thailand claims a "crucial threat" to its security in the letter to the UN. This so-called "crucial threat" is a ridiculous claim compared to what Thailand did to the three Lao border hamlets. When its 2,000 strong troops invaded and occupied the three Lao hamlets in Sayaboury Province, Thailand described this invasion as a minor incident.

No one in his right mind will believe in such a foolish campaign. This is because the world public has long realized that the Thai and Chinese reactionary circles are supporters of the Khmer counterrevolutionary gangs. The defeat of these gangs has prompted Thailand to lodge its protest to the UN. Thailand's letter of protest to the UN is a refutable evidence [as recieved] of the collusion between pan-Thaism and Beijing hegemonism and expansionism against Vietnam and Kampuchea, the paper stresses.

CSO: 4200/243

SOUPHANOUVONG THANKS DIPLOMATS FOR GREETINGS

BK050931 Vientiane Domestic Service in Lao 1100 CMT 1 Dec 84

[1 December reply speech by Souphanouvong, PDR president and chairman of SPC and of Lao Front for National Construction Central Committee, delivered at meeting with members of diplomatic corps and representatives of international organizations in Vientiane on national day--recorded]

[Text] Beloved Comrade Nguyen Xuan, dean of the diplomatic corps; beloved excellencies and comrade diplomats and representatives of international organizations; ladies and gentlemen, comrades, and friends:

Today I am very pleased to receive the members of the diplomatic corps and representatives of various international organizations on the occasion of the 9th founding anniversary of the LPDR. I would like to express profound thanks to the comrade dean of the diplomatic corps for his warm words praising the perseverance, industriousness, and successes of the Lao people in implementing the party's domestic and foreign policies to defend and build the LPDR over the past 9 years.

Recalling the past, Laos has now entered its 10th year of building a new life. I can say with satisfaction that on the path to socialism, bypassing the period of capitalist development, and despite the difficulties resulting from the backward economy and brutish illiteracy and other vestiges left behind by the old regime and caused by the sabotage and subversive acts of the enemies, the Lao people throughout the country, under the LPRP's leadership, have promoted and expanded their genuine rights to collective mastery in defending the country and restoring production and some significant enterprises with a view to gradually stepping up the national economy and developing social tasks. At present, our Lao people have actively and enthusiastically engaged in labor in the emulation campaigns to score achievements to welcome the 2 historical days of their nation in 1985. For example, they have guaranteed the maintenance of tranquillity and social order. They have consolidated and built the administration in conformity with the basis of the new system and have paid attention to fulfilling economic and cultural tasks ranging from the central down to the grassroots levels. As a result, the living conditions of the cadres, state employees, combatants, and people have been improved step by step. All these have served as a firm basis for the success of the Third LPRP Congress. They also constitute a new factor for the future socialist revolution in our country.

In our cause of defending and building the country, we still have many difficulties arising from hostile acts against our new system. The northern and western borders of Laos have been repeatedly disturbed. However, the LPDR Covernment has always adhered to its good intentions in solving problems through negotiations in order to normalize at an early date the relations between Laos and the neighboring countries so as to contribute to safeguarding peace and stability in this region and the world.

Excellencies, comrades, ladies, and gentlemen: At present, the world people are facing the threat of nuclear war. International tension has eased; on the concrary, it has worsened as a result of the imperialists' arms race policy. The LPDR is of view that it is still not too late for the nations of the world to join in seeking means to resolving the problems by placing the interest of security and peace above all else. The LPDR pledges to join with various socialist countries, nonaligned countries, and peace-loving countries and international organizations in making a positive contribution to the safe-guarding of peace and in developing friendship among various nations in the world.

On this glorious occasion, on behalf of the Lao people of various tribes, I would like to express sincere gratitude to various fraternal socialist countries, friendly countries, and international organizations for highly appreciating our work at home and abroad, and continuing to render precious support and assistance to the LPDR throughout the recent past. On behalf of the LPDR Government and the entire Lao people, I would like to thank your excellencies, comrades, and friends for your greetings and best wishes. I wish for the daily development of the fine, existing friendly relations between our countries in the interest of international friendship and cooperation and for peace and stability of the world. Thank you. [applause]

EDITORIAL HAILS HUNGARIAN DELEGATION VISIT

BK021415 Vientiane Domestic Service in Lao 0000 CMT 30 Nov 84

[Editorial: "Wholeheartedly Hail the Visit to the LPDR by the Hungarian Party-State Delegation"]

[Text] After concluding a 4-day official friendship visit to the LPDR at the invitation of the LPRP Central Committee and Comrade Souphanouvong, Political Bureau member of the party Central Committee and president of the LPDR, on the morning of 29 November the Hungarian party-state delegation led by Comrade Pal Losonczi, Politburo member of the MSZMP Central Committee and president of the Presidential Council of the Hungarian People's Republic, left Vientiane for home, taking with it the glorious success of the visit as well as the salutations and warm greetings of the Lao party, state, and people of all tribes to the fraternal Hungarian party, state, and people.

During his stay in the LPDR. Comrade Pal Losonczi paid a courtesy call on Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers. The Hungarian party-state delegation also visited several historic sites and economic bases in Vientiane and its vicinity. At the same time, it also held talks with the LPDR party-state delegation led by Comrade President Souphanouvang in an atmosphere of friendship and mutual understanding. The two sides exchanged views in an intimate manner on construction and levelopment in their respective countries, including the satisfactory achievements of Lao-Hungarian cooperation in the past as well as the possibilities for further broadening and strengthening such a relationship and cooperation in accordance with the spirit of the treaty of friendship and cooperation signed in 1976 between Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee, and Comrade Janos Kadar, first secretary of the MSZMP Central Committee, on the basis of Marxism-Leninism and socialist internationalism when Comrade Kaysone Phomyihan led the Lao partygovernment delegation on an official friendship visit to Hungary.

In addition, during the visit of the Hungarian party-state delegation, the Lao-Hungarian Commission for Economic, Scientific, and Technical Cooperation also convened its seventh session to review achievements in the execution of the tasks in the past and to determine details of future tasks with a view to actively contributing to strengthening the fraternal relationship and cooperation between Laos and Hungary.

Discussing the current international situation, the two sides noted with concern that international tension has dangerously increased due to the policies pursued by the ultrarightist forces and the imperialists as well as the attempts of the imperialists to break the historical strategic balance and to gain a position of military superiority, thereby increasing the threat of the nuclear war in Europe, Asia, and throughout the world.

The two sides highly appreciated the consistent efforts and various initiatives of the Soviet Union aimed at safeguarding peace and reducing international tension. In the meantime, the two sides expressed the conviction that the negative trend in the international politics is not irreversible. They also emphasized the importance of the proposals recently put forward by the socialist countries for the establishment of equitable security at the lowest level of armaments, aimed at developing peaceful relations among all states, particularly between those of the Warsaw and NATO pacts.

In addition to expressing unanimous views in appraising the situation in each region, the two sides reiterated their solidarity with the struggles of the countries in Asia, Africa, and Latin America against imperialism, racism, apartheid, and other reactionary forces for the sake of peace, national independence, democracy, and social progress. They also highly appreciated the tremendous role played by the nonaligned countries, and voiced support to the declaration made by the Nonaligned Movement, aimed at turning the India i Ocean into a zone of peace and cooperation.

At the same time, the two sides expressed particular attention to the problems in Southeast Asia. They were of the view that the principla cause of the prolongation of tension in the region is the hostile political policies pursued by the imperialist forces in collusion with other international reactionary forces against the Indochinese countries in an attempt to change the reality in this region. They shared the view that the existing problems in this region could be settled by peaceful negotiations, such as between the two groups of countries, on the basis of the proposals put forward on 29 January 1984 by the eighth conference of the Indochinese foreign ministers as well as the proposals contained in the ASEAN Declaration issued on 21 September 1983, aimed at contributing to turning Southeast Asia into a zone of peace and mutual cooperation in accordance with the spirit of the principled proposals advanced at the summit conference of the Indochinese leaders.

In the meantime, the Hungarian People's Republic also assured the LPDR of its firm support to the just struggle of the Lao people to defend their sovereignty and territorial integrity and to settle through negotiations differences on the problem occurring in the vicinity of the three Lao villages.

The Lao party, state, and people of all tribes highly value the visit to the LPDR by the Hungarian party-state delegation led by Comrade Pal Losonczi and note that the success of this visit constitutes a great contribution to strengthening the friendship, and cooperation between the two parties, governments, and peoples of Laos and Hungary. The Lao party, state, and people wholeheartedly hail the visit to the LPDR by the Hungarian party-state delegation.

We hope that the long-standing friendship and all-round cooperation between the parties, states, and peoples of Laos and Hungary, which have been successfully developed on the basis of Marxism-Leninism and socialist internationalism, will flourish forever.

EDITORIAL ON PREPARATIONS FOR DRY SEASON FARMING

BE231519 Vientiane Domestic Service in Lao 1100 CMT 22 Nov 84

[Editorial: "Pay Attention to Timely Preparations for Dry Season Rice Farting"]

[Text] With a spirit of perseverance to produce an estimated 1.3 million metric tons of paddy in 1984, the movement for the main season rice farming throughout the country this year was conducted in a timely manner from the beginning of the rice planting season. At the same time, the work of fertilizing rice fields, carrying out intensive agriculture, growing standard rice strains and other improved rice strains, plowing deep furrows, weeding, and cradicating crop pests was extensively executed in all farming localities, production bases, agricultural cooperatives, and agricultural settlements, thereby transforming all rice fields in all production bases into genuine battlefields in the agricultural sector.

While our farmers in many localities were enthusiastically and diligently carrying out main season rice harvest and hurriedly collecting rice straw for storage, natural calamities struck in certain provinces and areas. For instance, heavy floods caused serious damage to our rice crops in provinces in the central and southern regions. Even though a second rice planting was carried out in certain areas, the harvest has not been as effective as planned.

Therefore, in order to simultaneously realize the targets of rice production this year and to increase the income of farmers, it is important that dry season rice farming must be promptly carried out this year. In the past year, dry season rice farming was carried out on some 8,000 hectares of land. In certain areas, the production of dry season rice per hectare of land was even more efficient than that of the main season rice farming. As a result, the movement to grow dry season rice has now become a more extensive phenomenon throughout the country, thus gradually introducing the method of double rice cropping into our country, increasing rice production output each year, contrib uting to stabilizing rice prices in our markets, and gradually improving the living conditions of our people.

To ensure that rice production in the coming dry season is fully productive, all regions, provinces, localities, agricultural cooperatives, and agricultural

settlements must make adequate and effective preparations to carry our dry season rice farming as early as possible in areas where favorable conditions prevail, for example in lowland areas where irrigation projects can supply adequate water for rice growing and in areas where dry season rice farming was productive in the past. Efforts must be made to carry out dry season rice farming on the total acreage of 15,000 hectares. At the same time, attention must be paid to encouraging farmers to carry out rice planting in the dry season in a timely manner, depending on prevailing conditions in each locality. In effect, the sowing of rice seedlings should be completed by the end of the forthcoming 12th lunar month. Rice saplings should be transplanted in the 1st and 2d lunar months, and dry season rice harvest must be carried out in the 4th and 5th lunar months.

To increase productivity of dry season rice farming, it is important that fertilizer be used to nourish rice plants. Such fertilizer can be produced by farmers themselves. In addition, appropriate rice strains must be selected for dry season rice farming to ensure high output per hectare.

Because dry season rice farming is a major policy of our party and state in solving the problem of food shortage, it is necessary that the party committees and administrative committees at all levels, through their respective proletarian dictatorship procedures, must regard the forthcoming dry season rice farming season as a battlefront for simultaneously building a profound and extensive movement, training experienced management cadres, and establishing a pattern for collective livelihood, thus transforming the rice production in the coming dry season into a productive period, trianing efficient cadres, and setting up a collective productive system which will gradually bring about high output.

CSO. 4204/39

PHOUMI VONCVICHIT RECEIVES DEPARTING GDR ENVOY

BK290309 Vientiane Domestic Service in Lao 9000 GMT 24 Nov 84

[Text] On the morning of 23 November, Phoumi Vongvichit, Political Eureau member of the Party Central Committee and vice chairman of the LPDR Council of Ministers, received Dieter Doering, GDR ambassador extraordinary and plenipotentiary to Laos, who called on him to bid farewell upon completion of his diplomatic mission in the LPDR for more than 3 years.

On this occasion, Phoumi Vongvichit wholeheartedly hailed the ambassador for accomplishing his mission here, thus contributing to developing and enhancing the long-standing friendship between Laos and the GDR. In reply, the envoy expressed his thanks and deep gratitude to the Lao party and government for providing him conveniences, thereby enabling him to brilliantly accomplish his diplomatic tasks. He wished that the friendship between the two countries further flourish and last forever. The conversation between the host and the guest was conducted in an imtimate atmosphere of profound friendship.

FEATURE ON REHABILITATION OF DAN THAO, DON NAME

BK280210 Vientiane Domestic Service in Lao 1030 GMT 17 Nov 84

[Feature: "We Miss Don Thao and Don Nang Islets"]

[Text] After listening to Comrade Nang Khamtao, head of the responsible committee of Don Nang islet, who described the situation in Don Thao and Don Nang in the past and at present, all agreed that only under the new system can the tasks of educating, saving human lives, and curing disease succeed. She first said that Don Thao and Don Nang are less than 1 km away and are separated by water. It used to take as long as 30 minutes to travel from the islets to the Nam Ngum Dam. Prior to 1975, Don Thao and Don Nang were not inhabited and were filled with thick forests and a variety of wild animals.

After victims of social vices under the old social system, who did not know even the word labor, had been sent to the islets to undergo rehabilitation so that they would change their bad ways of thinking and quality, the two islets were built upon and beautified. Don Nang was named for the gender of those receiving rehabilitation, all women, and Don Thao was named for the male gender.

Comrade Khamtao honestly said that she led and persuaded the female inhabitants to cut trees and clear forests for building living quarters. She conversed with and soothed the weak and weeping girls and encouraged them to voluntarily contribute to the collective labor on the islet.

After attending political and specialized courses and studying the party's line and policy which says that to build socialism we must have new, socialist men and that to build new, socialist men it is necessary to rehabilitate the old people, old way of thinking, and old and bad behavior, the inhabitants of Don Thao and Don Nang gradually became good citizens. They attentively studied and exchanged views among themselves. As a result, what they witnessed and experienced under the old society made them realize that the feudalists, capitalists, and warlords had committed barbarous crimes against them. Then they piedged in writing that they were ready to train and temper themselves to become beloved and precious sons and daughters of the Lao people and would sacrifice their blood, flesh, and strength for the future of their socialist fatherland.

As everyone knows, the inhabitants on the islets now have smiling faces and no longer consume opium, marijuana, and heroin as in the past. The local amateur art and literary unit is composed solely of the inhabitants of Don Thao and Don Nang. Many of them have been freed and returned to their parents and relatives, and a number of them refuse to return and establish their families on these peaceful islets. Some work as tailors, handicraftsmen, administrators, and so forth. Some men work as fishermen, sawmill workers, and others. Some who returned to their parents asked to go back to the islets together with their families in order to build and develop the two islets.

At present, Don Thao and Don Nang are no longer terrifying places as in the past, but are drawing the people in general to visit and live there as described in part of the song about the future of the islets:

After the sun sets, we dance and sing happily. Don Nang is in our heart, Don Thao is beautiful, they are our dear possessions. We, sons and nephews, unite under the party and government and contribute to building and making the islets green and beautiful.

MUNCARIAGS VISIT HISTORICAL, PRODUCTION SITES

BK020506 Vientiane Domestic Service in Lao 1400 GT 25 Nov 34

[Text] During his friendship visit to the LPDR, on the morning of 20 November Comrade Pal Losonczi, member of the Polithuro of the Hungarian Socialist Workers Party Central Committee and president of the Presidential Council of the Hungarian People's Republic, led the visiting Hungarian party and state delegation to visit various production bases and ancient ruins in Vientiane municipality.

Comrade Pal Losonczi and his party visited the model agricultural cooperative in Ban Dong Phosi, Tha Muang canton, hatsaifong district, Vientiane municipality; the emerald Buddha temple; the That Louang Pagoda; and other places. At each production base, Comrade Pal Losonczi and his party were warmly welcome by the local administration and the Lao people of various tribes. This shows the spirit of militant fraternal solidarity and the close relations between Laos and Hungary. Comrade Pal Losonczi and his party were accompanied by Comrade Maisouk Saisompheng, member of the LPMP Central Committee and minister of industry, handicraft, and forestry.

SALI VONGKHAMSAO CLOSES ACCOUNTANCY CONFERENCE

DK301049 Vientiane Domestic Service in Lao 1400 CMT 26 Nov 04

[Excerpts] The first national conference on accountancy for construction work was successfully closed on the afternoon on 24 November after 5 days of keen discussion. The conference was attended by 120 accountants from many companies and departments in Vientiane Municipality and other provinces.

Attending the closing ceremony were Sali Vongkhamsao, secretary of the Party Central Committee, vice chairman of the Council of Ministers, and chairman of the State Planning Committee; Khemphon Phouipaseut, acting minister of construction; deputy ministers of construction and finance; and several cadres concerned.

At the closing ceremony, Sali Vongkhamsao addressed the participants, emphasizing the strong and weak points as well as remaining problems in accountancy work. At the same time, he called on all accountancy cadres to further enhance a sense of responsibility in realizing the party's political duties and fulfilling their targets, thus contributing to the revolutionary struggle to defend and build the country.

YOUTHS IN VIENTIANE VOLUNTEER TO SERVE II: ARRY

BK281149 Vientiane Domestic Service in Lao 0430 CMT 23 Nov 34

[Text] Sanakham District, Vientiane Province, is one of the districts where the sons and nephews of the working peasants have been highly awakened and have volunteered to serve the country in the ranks of armed forces and people's public security forces. Since early this year, 108 youths, including 5 girls, realizing the role and important significance of the task of defending the country and maintaining peace and tranquility in the country, have volunteered to serve in the armed forces.

After studying various political documents and receiving military training for a period of time, they have been assigned to various units so as, together with the local people of various tribes, to enthusiastically carry out the task of maintaining peace and tranquility and ensuring stability in localities, thus making it convenient for the people to make their living in accordance with the party and state's line and policies.

BIOGRAPHIC INFORMATION REPORTS

[The following information is extracted from the Vientiane press on the dates indicated in parentheses following each entry in the REMARKS Column. Name spellings are as published in the sources using the BNG transliteration system. The following abbreviations for sources are used: PS = PASASON: VM = VIENTIANE MAI; KPL = KHAOSAN PATHET LAO; NL = NOUM LAO; HN = HENG NGAN; ML = MEGNING LAO. The following abbreviations for positions held by those listed are used: SPC = Secretary, LPRP = Committee; CAC = Chairman, Administrative Committee; DPC = Deputy LPRP Committee Secretary; VCA = Vice-chairman, Administrative Committee]

NAME	POSITION HELD, REMARKS

Bansa Detwongsa	VCA, Kieng Khouang Province. Interviewed on
	national census (PS 17 Oct 84 pt //

Boungnang	Chanthalounnavong	SPC, CAC, Sisattanak District, Vientiane
		Capital. Attended meeting condemning Thai-
		land for village seizure in Sayahoury Pro-
		vince (VM 31 Oct 84 nn 1 4)

Bounla Miangmani	SPC, Samouai District, Savannakhet Province
	spoke at district LPRP congress on 4 April (PS 28 Apr 84 p 2)

Bounlai	Member LPRP and Administrative committees,
	Chanthabouli District, Vientiane Capital.
	Chief of District public security service.
	Attended induction ceremony for new youth
	union members (VM 31 Oct 84 p 1)

Bounleut Soulignavong	SPC, Hatsaifong District, Vientiane Capital.
	Lead delegation to boat races with Thailand (PS 16 Oct 84 p 3)

Bounlom Keochomsi	SPC, Phon Hong District, Vientiane Province,
	Chaired a converence on summing up 1983 ac-
	tivities in district (VN 8 May 84 p 1)

Bourn-nam

Member, Vientiane Province Administrative Committee, SPC, CAC Van Vieng District. Vientiane Province. Attended opening of new state store in district (VM 5 Jun 84 pp 1, 4)

Boun-nam

SPC, CAC Saisomboun District, Vientiane Province. Attended meeting on 6th LPRP plenum in district (PS 17 Oct 84 p 1)

Lt Col Bounthon Lopangna

Acting CAC, Bolikhamsai Province. Participated in mobilizing people to heighten patriotic consciousness (PS 10 Nov 84 p 1)

Capt Bounthom Salsongkham

Member, LPRP committee for Sikhottabong District, Vientiane Capital and Chief. Public Security. Attended meeting held to explain things to smugglers of livestock (VM 18 Sep 84 pp 1, 4)

Boyuen Levietnounan;

Member, LPRP CC, SPC Sekong Province. Held meeting to study 6th Plenum (PS 18 Sep 84 p 1)

Chanda Khansi

CAC, Saisettha District, Vientiane Capital. Attended lecture on Thai occupation of villages in Sayaboury Province (VM 24 Sep 84 pp 1, 4)

Channong Inthavong

Member, Vientiane Capital Party Standing Committee; Chief, Organization Department: Chief Propaganda and Training Committee. Attended meeting of Capital Party-state Inspection Committee (VM 11 May 84 pp 1, 4)

Chanpheng Sinouvong

CAC, Chanthabouli District, Vientiane Capital, Attended rally in support of foreign ministry white book on Lao-Thai relations (VM 30 Oct 84 p 1)

Col Cheng Saignavong

Chief, Combat Engineer Department, LPA. Spoke at nation-wide conference of Engineer Corps (KPL 9 May 84 p A7)

Gnouat Phanthavong

CAC Phon Hong District, Vientiane Province. Interviewed on agricultural progress (PS 31 Oct 84 p 2)

Lt Col Kensi Manivong

Member LPRYU CC executive committee; Chief, Youth Department of LPA. Spoke to meeting on Thai occupation of Lao villages (VM 24 Sep 84 pp 1, 3) Khammouan

CAC, Kasi District, Vientiane Province. Attended opening of new district hospital (VM 8 May 84 p 1)

Kham-on Phomsouklichit

SPC, CAC Phong Saly Province. Attended province-wide propaganda conference (EPL 9 Jun 84 p A5)

Khansavan

Member, LPRP and administrative committees and Chief, Sisattanak District, Vientiane Capital military command. Attended training session for district guerrillas (VM 2 Aug. 84 p 1)

Mrs Khanson Sengmani

Member, LPRP committee and Chairman, Hammouan Province women's association. Attended celebration of success of women's congress (KPL 23 Apr 84 p A5)

Khamvon Thammalat

Member, LPRP committee, SPC, Paklai District, Sayaboury Province. Attended celebration to hail women's congress (KPL 15 May 84 p A8)

Mrs Loun

Member LPRP CC; Vice-chairman, Party-State Inspection Commission of LPRP CC. Attended meeting of the Vientiane Capital Party-State Inspection Commission (VM 11 May 84 pp 1, 4)

Oudon

CAC, Louang Namtha Province. Attended conference of Organization, Propaganda, and Training Cadres. (KPL 12 Jun 84 p A10)

Oulapho Saignavong

SPC, Saravane Province. Closed meeting on justice court in province (KPL 6 Oct 84 p All)

Oulapho Sanavong

SPC, CAC Saravane Province, Attended conference on province achievements (PS 12 Jul 84 p 1)

Lt Col Phim Atsomphou

Member, LPRP committee, VGA: Chief Khammouan Province military command. Attended celebration of success of women's congress (KPL 23 Apr 84 p A5)

Phonsai Phouang-oudon

Acting SPC, CAC Paklai District, Sayaborury Province. Attended rally in district over Thai seizure of villages on border (PS 21 Jul 84 p 2) Saisomphon Phomvihan

Professor at Higher Party and State School.

Wrote 3-part article in LPRP daily PASASON over period 28 Apr-3 May 84 on agricultural cooperative movement

Savang SPC Saisettha District, Vientiane Capital.
Attended LPA anniversary celebration (VM 27 Jan 84 p 1)

Savang Saikhampheng

Listed as above for other event (VM 7 Apr 84 p 1) Attended lecture on Thai occupation of Sayaboury border villages (VM 28 Sep 84 pp 1, 14)

Sifewang Simewangkhoun Member, Standing LPRP committee and Acting CAC, Champassak Province. Visited Nghia Binh Province SRV (KPL 24 Nay 84 p A3)

Seng Li

DPC; Chairman, Oudomsai Province People's Assembly; Mcmber, Administrative Committee for province. Attended province-wide propaganda conference (KPL 30 May 84 p A5)

Dr Siho Bannavong

CAC, Vientiane Capital. Signed directive on children's sports camps (VM 23 May 84 p 4)

All other subsequent appearances in press reporting list him as VCA

Sikhai Member, Savannakhet Province Party Committee; CAC Phin District. Discusses developments in district with reporter (PS 30 Jun 84 p 2)

Maj Gen Siphon Phalikhan Member LPRP CC; Vice Minister of Defense; Chief LPA General Political Department. Attended 1st LPA political officers' congress (PS 13 Jun 84 pp 1, 2)

BC Sithon Manola

Sompheng Keobounhouan

Somphong Sailattanvong

Member LPRP CC: Deputy Chief, LPA General Political Department. Attended 1st congress of LPA political cadres (PS 13 Jun 84 pp 1, 2)

Member, LPRP CC; SPC Oudomsai Province; Chairman, People's Province Assembly. Opened province propaganda conference (KPL 23 May 84 p A6)

SPC, Kasi District, Vientiane Province. Attended opening ceremony for new hospital in district (VM & May 84 p 1)

Member, LPRP CC; Vice Minister of Defense Maj Gen Somsak Salsongkham acting Chief of Staff, LPA. Attended meeting of LPA engineer corps (NPL 9 May 84 p A7) Son Asai DPC; VCA Savannakhet Province; 1st Secretary LPRYU executive committee for province. Attended youth congress (NL 15-30 Apr 84 p 7) Soun Po CAC Hom District, Vientiane Province. Commented on developments since 1975 (PS 9 Jun 34 p 2) Thitno Tatsavat SPC, CAC Kenthao District, Sayaboury Province. Condemned Thai seizure of border villages in Sayaboury Province (PS 26 Jul 84 p 2) Thougdam Manivan DPC; CAC Vientiane Province. Attended rally condemning That seizure of border villages in Sayaboury Province (PS 26 Jul 84 p 1) Col Thonglai Kommsit Represented Ministry of Defense Political Department in giving lecture on Lao villages occupied by Thais (VM 24 Sep 84 pp 1, 4) Thongphan DPC, CAC House Phan Province. Attended trade union conference in province (HN 16-31 May 84 p 5) Thongsavat Guamanihong Chairman State Commission for Information, Press Radio & TV. Attended Saravane Province conference on achievements (PS 12 Jul 34 p 1) Vinai Pongphonmavong DPC CAC Attopen Province. Attended Trade union conference (PS 11 Aug 84 pp 1, 3)

Vison Saignavong

Visian Bounhaksa

Member, Vientiane Capital LPRP Committee: SPC Chanthabourli District, Speaks on Resolution 5 of LPRP CC (VM 7 Apr 84 p 1)

Chairman, Lao Front for National Construction Vientiane Capital. Signed order on featinal

CSO: 4206/40

(VN 19 Sep 84 p 1)

PHOUMI VONCVICHIT ADDRESSES EDUCATION OFFICIALS

BK291234 Vientiane KPL in English 0929 GMT 29 Boy 84

[Text] Vientiane, 29 Nov (KPL)--Practicing the Marxist-Leninist theory in educational and cultural work is of great importance to building a socialist society in Laos, said Phoumi Vongvichit, Political Bureau member of the LPRP CC, vice-chairman of the Council of Ministers, who is responsible for guiding the educational, cultural and social work, during a meeting with educational officials here on Tuesday.

The vice-chairman drew the participants' attention to the urgent revolutionary task of developing educational, cultural and social work at present. To attain this noble goal, he said, all educational officials have to make great efforts in educating the young generation and transforming schools into socialist ones.

P. Vongvichit, in conclusion, pointed to the necessity for the Lao people to wage a resolute and heroic struggle under the leadership of the party to attain this end. He urged all participants to actively and effectively fulfill their assignments, hence contributing to safeguarding and building the new socialist society.

BRIFFS

PHOUMI VONGVICHIT AT CONFERENCE--Vientiane, 30 Nov (KPL)--A nationwide conference on culture attended by over 100 persons was closed yesterday after nine days of sitting. Taking part at the closing ceremony were Phoumi Vongvichit, Political bureau member of the LRPR CC, vice-chairman of the Council of Ministers, Thongsing Thammavong, alternate member of the LPRP CC, and minister of culture. [Text] [Vientiane KPL in English 0934 GMT 30 Nov 84 BK]

PARTY DELEGATION TO CUBA--Vientiane, 29 Nov (KPL)--Sopha Khotphouthon, deputy-head of the Propaganda and Training Board of the Party CC, led his delegation to Cuba on 28 November. The Lao delegation is to attend a conference of the fraternal parties on ideology and international issues scheduled to be held in Havana from 5 to 7 December. Seeing the delegation off at Wattai Airport were Khamma Phomkong, head of the Propaganda and Training Board of the Party CC, and a secretary of the Cuban Embassy here. [Text] [Vientiane KPL in English 0932 CMT 29 Nov 84 BK]

VIENTIANE-HANOI AGREEMENT SIGNED--Vientiane, 29 Nov (OANA-KPL)--Our agreement on trade cooperation between Vientiane and Hanoi on the basis of the Laos-Vietnam friendship, special solidarity and all-round cooperation, was signed here yesterday. Kongpheng Soutthavong, party committee's member, head of trade department of Vientiane and Luong Van Nghia, deputy mayor of Hanoi and head of its foreign trade office, signed the agreement. Present at the ceremony, on the Lao side, were Khambou Sounisai, member of the Party CC, Mayor of Vientiane, Dr Siho Bannavong, deputy mayor of Vientiane, Channong Inthavong, member of the party standing committee, head of propaganda and training board of Vientiane. The Vietnamese officials present at the ceremony included Nguyen Dinh Hiep, member of the party committee, deputy mayor of Hanoi and head of the Vietnamese experts' team to Vientiane Tran Ngoc Luong, first secretary of Vietnamese Embassy to Laios. [Text] [Vientiane KPL in English 0926 CMT 28 Nov 84 3K]

SOVIET FRIENDSHIP DELEGATION ARRIVES--Vientiane, 29 Nov (KPL)--A delegation of the Soviet-Lao Friendship Association led by its vice-chairman, V. Ratkine, [name as received] arrived here on 27 November for attending the celebration of the 9th anniversary of the Lao PDR. Welcoming the delegation at Wattai Airport were Luam Insisiangmai and Mrs. Khamsouk Vongvichit, vice-chairman of the Lao-Soviet Friendship Association. Dollers Khakoulline [name

as received] first secretary of the Soviet Embassy in Laos, was also present at the airport. The same cry, the delegation paid a courtesy visit to Khasouk Sai-Gnaseng, member of the party CC minister to the Council of Ministers' Office [and] chair an of the Lao-Soviet Friendship Association.
[Text] [Vientiane KPL in English 0934 CMT 29 Nov 84 DK]

YOUTH RETURN FROM PRK--Vientiane, 29 Nov (KPL)--A delegation of Lao People's Revolutionary Youth Uni ns [LPRYU] led by Khamphong Phanvongsa, vice-minister member of the Vientiane Party Committee and secretary of Vientiane LPRYU, has returned from Kampuchea. The delegation had attended the 3rd yesterday [as received] of the three Indochinese capitals' youths which was held in Phnom Penh. Welcoming the delegation at the Wattai Airport were Dr Siho Bannavong, deputy-mayor of the Vientiane and other officials. [Text] [Vientiane KPL in Inglish 0936 CMT 29 Nov 84 BK]

GOVERNMENT HUNTS 'SUBVERSIVE' LITERATURE

Kuala Lumpur NEW STRAITS TIMES in English 5 Nov 84 p 1

[Article by Khairuddin Hassan]

[Text]

KANGAR, Sun. — The Home Affairs Ministry is tracking down a list of Chinese comic books believed to contain Communist propaganda following complaints from the public.

However, the Ministry has managed to track down only one title, but it believes that the other books are still being sold in book stalls under different titles.

Deputy Home Affairs Minister Encik Radzi Tan Sri Sheikh Ahmad told the New Straits Times today that from the books seized, it was discovered that the Communist propaganda had been inserted in a most subtle manner.

"The characters may depict warriors battling bad guys but in a subtle manner, the scenes project aspects of the Communist ideology," he said.

Encik Radzi hoped the public would continue to assist the Government in tracking down such comic books.

"Needless to say, the comics are detrimental to the security of the nation," he said.

The problem faced by the Ministry was that while it could provide a list of titles of the comics to the book stalls, not all their owners could understand Chinese to be able to spot the comics.

Furthermore, those responsible for supplying the comic books could change their titles from time to time to avoid detection. Encik Radzi warned book stall owners against distributing such comic books. They should report to the police immediately should they be approached by anyone to distribute such books.

"Their licences can be revoked if they are found selling these comic books after having been warned."

"They should not think of making profits only, but must play their role in protecting the interest and well-being of the country."

Pornographic

Encik Radzi said during the crackdown on such comic books, Home Affairs Ministry officials also discovered a large amount of porno graphic material in Bahasa Malaysia circulated by the book stalls.

"To say that I was shocked by the contents of these books is an understatement. The contents in the Piayboy magazines are nothing compared with those found in these books," he said

So far, action has been taken against two publishers of pornographic books.

Encik Radzi was concerned that a lot of pornographic books could be available so cheaply.

"The titles of these books are very daring and the contents contain explicit details that would even make a grown man blush.

"Even Playboy is nowhere compared with these books. What worries me is that these books are within the reach of schoolchildren."

The public must help the Government by in forming about any Communist propaganda comic books or obscene books they come across, he added.

DEFENSE BRIEFINGS EMPHASIZE USSR REACH, NEED FOR ANZUS

USSR Reach Growing

Auckland THE NEW ZEALAND HERALD in English 22 Oct 84 p 3

[Text]

Defence advisers have warned the Government to expect Russian military activity in the Pacific.

Their advice, based on Western Intelligence reports, was revealed in Ministry of Defence briefing papers made public at the weekend as part of the Government's "opening the books" exercise.

The ministry reported that the expected build-up of activity would centre on Cam Ranh Bay in Vietman — already the most important Soviet naval and air base outside the Warsaw Pact area.

Soviet long-range strike and reconnaissance aircraft which could reach almost to New Zealand, operated daily from the base said the ministry, together with naval and support ships.

The briefing papers reported that New Zealand's strategic circumstances had significantly changed since the growth of Soviet military power in the Pacific.

The Soviet Pacific fleet was now significantly larger than its American counterpart, while the Russian Far Eastern tactical air force had also been strengthened.

"The overall effect of the recent force expansion programme has been to greatly enlarge Moscow's power projection capabilities," said the ministry.

The defence officials advised the Government that Soviet shipping in the South Pacific had the potential for military application, while Soviet research vessels, sometimes accompanied by submarines, were frequent visitors to the area.

The Soviet Union had become the foremost expert on South Pacific oceanogaphy and, through its research work, had tried to expand its influence with South Pacific Governments.

Attempts had been made to provide oceanographic assist ance to Western Samoa and the Solomon Islands, although these had so far been refused.

The officials said that, although there was no explicit military threat to New Zealand or its interests, there was an increased potential for intrusion into the South Pacific by outside powers

ANZUS 'Vital' To Defense Policy

Auckland THE NEW ZEALAND HERALD in English 22 Oct 84 p 3

[Tex5]

Cancellation, or even alteration, of the Anzus treaty would seriously undermine the capability and readiness of the New Zealand armed services, according to the Ministry of Defence.

Such a change could also mean a substantial increase in military re-equipment and maintenance costs, the ministry said in Government briefing papers made public at the weekend. The treaty filled a vital role in New Zealand's defence policy aims by providing the means for cooperation and collaboration with the armed forces of the United States and Australia, the incoming Government was told.

Pacific Role

The Anzus pact allowed New Zealand to develop forces for clearly defined roles in the South Pacific, against the backdrop of the much greater military strength of the two treaty partners.

In a report to the Government on the practical benefits of Anzus, defence strategists said it was their first aim to maintain forces able to work efficiently on their own in the South Pacific

However, in any conflict which was beyond New Zealand's limited military capacity, New Zealand's armed services would have to be able to work efficiently with those of its allies.

Co-operation with the Anzus allies was vital in the areas of intelligence, communications, defence logistics and technology.

Under Anzus, the ministry reported, New Zealand was almost totally dependent for its defence intelligence on information from Australia and the United States.

"Without the material supplied by our two partners... it would be impossible for New Zealand to gather the range and character of information relevant to the formulation

of national, foreign and defence policies."

New Zealand also depended heavily on the United States as a source of military equipment, officials said, and for the continuing support needed to keep it working.

Good Terms

Equipment such as Skyhawk and Orion aircraft, helicopters and land vehicles were obtained on favourable terms under a 1982 memorandum of understanding between the two countries.

"Should the memorandum be terminated or the Anzus treaty be altered or let lapse, the 'favoured nation' support treatment we have received would at worst be lost or, at best, severely curtailed," defence officials said.

"This in turn would lead to a deterioration in the readiness and capability of New Zealand's armed services and/or a substantial increase in the costs of reequipment and maintenance."

The briefing papers also highlighted the advantages to be gained under Anzus through joint military exercises.

Exercises

While the New Zealand Navy, Army and Air Force had once developed their expertise only in association with Britain, they now looked to America and Australia "Much training can be undertaken in Australia," said officials." But, particularly when new equipment has been introduced, access to more sophisticated capabilities in the United States is invaluable."

All three New Zealand Services depended heavily on Anzus exercises to build up operational standards and to ensure the compatibility of their equipment.

Experience

The exercises allowed the Army to give senior officers wider experience of command, said the officials, adding. "There are no alternative means of obtaining such experience."

The Air Force, too, had no alternative means of exercising in large joint settings and would be adversely affected by cancellation of the Anzus exercise programme.

Assessing the value of Anzus for defence technology, the ministry said there was almost total reliance on overseas suppliers for equipment using advanced technology.

Expensive

To develop such equipment locally would require an extensive research and development programme which was unlikely ever to be cost-effective.

The long-term lease from the United States of the oceanographic research ship HMNZS Tui was another benefit in the defence science area derived from membership of Anzus.

RESERVE BANK HEAD BACKS GOVERNMENT, STAFF

Auckland THE NEW ZEALAND HERALD in English 24 Oct 84 p 20

[Text] The governor of the Reserve Bank, Mr Spencer Russell, has supported the Government's economic moves and criticised measures taken by the previous Administration.

Addressing the New Zealand Institute of Credit and Financial Management in Wellington yesterday, he supported his staff from public criticism and also spelled out what he saw as Labour's determination not to back away from strong monetary policy.

He said he was disturbed

about the allegation that the Reserve Bank gave both the previous and the present Government bad advice, and the public association of that advice with specific focused the attention of

officers

bank or Treasury would movement in the value of welcome a situation in the currency was a possible which they felt constrained response. to advise that their country should devalue its cur- the currency which built up rency," he said. "That posi- rapidly and strongly followtion is reached only when ing the election announcethere are fundamental ment," he said. problems in the economy "The position was made and where only a drastic more difficult by consolution will suffice.

Attention

"In my opinion we had

reached that situation in New Zealand. We had experienced a decade of balance of payments deficits. We had seen our overseas debt increase from \$500 million to \$10 billion. Our terms of trade - the amount of imports that a given amount of exports will buy - had deteriorated by more than 30 per cent and had remained depressed over most of that period."

This situation inevitably those trading in New Zea-"I believe that no central land currency on whether a

"This led to pressure on

straints and controls on the financial sector, and particularly the controls on interest rates. which discouraged people from retaining funds in New Zealand and made it more attractive for them to purchase, quite legiti-mately, foreign exchange somewhat in advance of their normal need to do so."

Mr Russell said that although he was absent from New Zealand for the first few days after the election announcement, he was kept fully informed and advice given to the Government had his full support.

"The initial advice and that given subsequently over the period until the Government made the decision to devalue was, in my opinion, sound, factual and responsible.

He said that even with hindsight, he remained convinced the advice given was the only possible advice that could have been given.

"However, to me, the most regrettable aspect of the public discussion which followed devaluation was the public criticism of individual officers of the Reserve Bank and of the Treasury," he said.

"I have the greatest confidence in the knowledge. experience and good judgment of the officers of the Reserve Bank.

Regulation

"Similarly, and although it is not my function to comment on executives of the Treasury, as a newcomer to the public sector [Mr Russell joined the Reserve Bank five months ago, having been the general manager of National Bankl I have been impressed by the professionalism and dedication of officers of that important department with whom I have been associated."

Referring to the new Government's strong move away from regulation in monetary policy, Mr Russell said a great many regulations had been found to have costs far in excess of

their benefits.

4200/229 CSO:

PAPER ON 'WORRYING ASPECT' OF U.S. DAIRY SALE

Auckland THE NEW ZEALAND HERALD in English 27 Oct 84 p 6

[Text]

American assurances that a major sale of dairy products to Iraq is a "message" to the European Economic Community, not to New Zealand, is cold comfort for Wellington. It confirms that the Community's determination to sell cheap butter to the Soviet Union will have repercussions in international dairy markets.

True, the American sale is not so objectionable as the Community's irresponsible intention to break the minimum price agreements of the General Agreement on Tariffs and Trade. The United States deal is at market prices and the contract includes a guarantee that the sale will not replace Iraqi pur-

chases of dairy products from traditional sources.

While the safeguard is reassuring, it is not clear whether New Zealand will still be able to achieve a planned 10 per cent increase in sales to Iraq this year. If that aim is not possible, some of the work and money the dairy industry has put into building up the Iraqi market will have been wasted.

That the United States has lost patience with the EEC and has decided to put a warning shot across its bows is understandable. The worrying aspect from New Zealand's point of view is that it is likely to be damaged in the crossfire.

DEFENSE MINISTER O'S MERITS OF DANISH NUCLEAR POLICY

Wellington THE EVENING POST in English 22 Oct 84 p 16

Text

Some aspects of the Danish nuclear policy deserve consideration before "we settle our policy absolutely," says the Minister of Defence, Mr O'Flynn.

The minister has just returned from a seven-nation tour of Europe which included a visit to Denmark where he discussed that country's stand on the nuclear question with the Danish Foreign minister, Mr U Elleman-Jensen.

Denmark and Norway, though full members of the Nato alliance, have banned allied troops from being stationed on their soil in peacetime But they have held off from formally declaring a nuclear-weaponsfree zone, wary that such a declaration might shed their Nato umbrella

Press reports while Mr. O'Flynn was overseas suggested he was rethinking our Government's backing for a formal nuclear-weapons-free zone in the South Pacific

But all he would say to the "Post" on that question was that the Nordic policy was "food for thought."

He said he was "very wary" of making any comment because of the reports while he was away which had been mis-represented in the New Zealand papers.
Mr O'Flynn also em-

phasised that there was an

immense difference between the geographic positions of the Nordic countries, which shared a common sea with Russia, and that of New Zealand which was 19,200 kilometres away from either of the super-powers.

On the reaction generally in the European capitals to New Zealand's anti-nuclear stand, Mr O'Flynn said there had been some concern, perhaps resulting from statements in New Zealand "including something I said.

(In Parliament before he left Mr O'Flynn said he thought New Zealand should defend itself and not get drawn into large global or defence pacts. He said he thought New Zealand could adequately defend itself.)

Mr O'Flynn said he reassured the countries that Labour had gone to the election with a policy that

it would not withdraw from Anzus and "that was still the policy of the Government

That was the point that had been of concern and they had been reassured by his comments.

On his way back to New Zealand Mr O'Flynn met with the commander-inchief of the United States forces in the Pacific, Admiral Crowe.

Mr O'Flynn said he did

not discuss New Zealand staying out of alliances with Admiral Crowe.

Mr O'Flynn said everywhere in Europe he went be emphasised the concern felt in New Zealand about the EEC's butter disposal

Mr O'Flynn left Europe before the latest proposal by the commission to dump butter at below the Gatt minimum (general agreement on trade and tariffs) price was announced.

PAPER ANALYZES IMPLICATIONS OF DESTABILIZED EAST ASIA

Wellington THE EVENING POST in English 24 Oct 84 p 6

[Text]

THE EMERGENCE of Vietnam as a vital link in Soviet power projection in east Asia and the Pacific has a wide range of implications for New Zealand

Not only does it pose a threat to stability in what is to New Zealand the "near east," it also comes at a time when domestic debate focuses on issues likely to encourage thinking in the Kremlin that power projection does pay. During recent months, news reports

During recent months, news reports and television coverage have focused to greater or lesser degree on issues which have a bearing on the external view of where New Zealand is beading.

Among them the Anzus debate, the almost saturation reviews of the effects of a nuclear exchange between the superpowers, calls for government action against the Philippines on human rights issues, demands for withdrawal of the New Zealand force in Singapore.

New Zealand force in Singapore.
It is pertinent to respond to these matters by saying that the Government has yet to determine the Anzus question, has taken no action concerning the Philippines and for now, at least, plans to continue the task force presence in Singapore

But just as the US worries in which direction New Zealand will go over Annus, Asian and European nations reflect concern about Wellington's intentions on the other matters.

Should Anzus be weakened, the force taken out of Singapore and Wellington enter into a spat with Manila, the implication taken in South-east Asia will be that the allied southern flank is not to be relied on

The answer to such a conclusion may well be "who cares?" New Zealand should not be involved in the apats of others, nor should it have any fear of an invasion — it is after all, a long, long way from Jakarta to Wellington

New Zealand, it might be said, can argue from the safety of distance that it is a friend to all and enemy of none. Yet many of those leading the fight for withdrawal from Anzus, a pullout of the force in Singapore and an end to military exercising in the Philippines, are also those who want a trade boycott imposed on Chile, human rights action taken against the Philippines and an active stance adopted against US actions involving Central America.

It might be characterised as a "pull our heads in" stance on the one hand, with a "let's get stuck in" stance on the other.

There is little in the foreign policy and defence fields which is black and white. Shades of grey interfere regularly in a manner which permits accusations in emotive terms — "pro-nuke," "right winger," "fascist," — "left winger," "commy," "Kremlim tool" — of those involved in determining a rational response to circumstances outside domestic control.

It is such a response that the US, China, Japan, South Korea and the Asean nations are seeking to hold in terms of events in Vietnam Australia, too, is involved and New Zealand has not been inactive.

According to briefing papers from the Minustry of Defence, the Soviet Union has 15 naval and support vessels operating taily out of Cam Ranh Bay in Vietnam. Western intelligence experts believe Moscow plans to station supersonic backfire bombers there.

The papers continue: "The overall effect of recent (Soviet) force expansion programmes has been to greatly enlarge Moscow's power projection capabilities in the Pacific. This is a new strategic development out of keeping with the earlier defensive Soviet strategic posture and, for that matter, with legitimate defense requirements, given that the

Soviet Union has slight mercantile interests in the region

"The Soviet Union is now in a position to put significant military pressure on Japan, South Korea and the Assan bloc

The reality of this pressure is felt in Tokyo, Beijing, Bangkok Seoul, Kuala Lumpur, Manila Singapore, and Jakarta Soviet warplanes frequently overfly Japanese airspace. Soviet naval ships transverse Japanese sea lanes.

Soviet ships act as protectors for Vietnamese supply vessels maintaining Vietnamese forces occupying Kampuchea Chinese resupply of guerrillas battling the Vietnamese is hampered by this Soviet activity, imposing added pressure on Thailand and other members of Asean to take a more active role in overland help.

This, in turn, promotes strains within Ascan, which while not wanting to see Vietnam consolidate its conquest, wants to ensure

China is not the dominant power in Kampuchea. The Asean objective is a Kampuchean nationalist government neutral in its foreign policy stance.

Japanese military strategists do not see Moscow as having aims of conquest in respect of Japan. But they do believe Moscow wants to militarily intimidate Tokyo with the objective of making

neutralism an attractive option should the Security become engaged in conflict with China.

The American view is that China and Asean are able to deal satisfactorily with the problems of Indo-China. But the work New Zealand puts in as a partner to the various strategic consultation treaties involved, is seen as a valuable contribution to stability, deserving of assistance should events provoke a Wellington call for it.

That call may not become necessary now or for many years, if ever. But the strategic view from the countries of east Asia is that the tighter the alliances, the less likely power projection by another is likely to upset the balances now in place.

A disruption of New Zealand's trade flows should east Asia again become a zone of wide conflict, with serious implications for shipping through the Strait of Malacca, would be unlikely to bring much sympathy and support should Wellington be seen to have contributed to the fresh state of affairs.

Some might denigrate such an outlook as unfair on the grounds that non-involvement in strategic co-operation in the area does not mean a hostile attitude is taken. Nevertheless, those in the frontline of the power projection game seem unlikely to take kindly to nations which offer no help in containing its practical effects.

COVERNMENT PLANS TO OVERHAUL WHEAT INDUSTRY

Wellington THE EVENING POST in English 29 Oct 84 p 20

[Text]

Recommendations made at the Economic Summit conference and increased competition under the CER agreement have prompted a major Government review of the wheat and flour industry in New Zealand.

New legislation will be introduced next year, the Minister of Trade and Industry, Mr Caygill, said yesterday in announcing the review.

Circumstances in the economy had changed substantially since the 1965 Wheat Board Act, he said.

The Wheat Board had done an excellent job over the years, but now needed a new role, Mr Caygill said.

A major factor influencing the review was the freeing up of trade across the Tasman, he said One of the provisions of the CER agreement is that from 1995, all imports of flour from Australia will be free from import licensing.

In that situation, the flour quota system which had operated here previously could not apply, he said.

The wheat and flour industry will have to compete with flour imports from Australia, so the Government believed adjustments were necessary now for viable competition, be said.

Legislation would be introduced to remove all controls over flour milling and pricing controls would be lifted. The Wheat Board would no longer trade in flour unless it was on a commercial basis from February 1, 1987, be said.

Changes might be required to the Wheat Board and a review of its role should be undertaken in #888, be said.

cso: 4200/229

PAPER POSES SOLUTION TO NUCLEAR POLICY DILEMA

Christchurch THE PRESS in English 27 Oct 84 p 20

[Article by Stuart McMillan: "Nuclear Solution Is Not Simple"]

[Text]

When the introductory para-graph to the first in this series of articles blithely said that the third would explore solutions to the problem of banning port visits by nuclear ships and remaining com-mitted to ANZUS, the third had not been written I had a number of ideas, but they had not been put down on paper for the sake of consistency, the paragraph intro-ducing the second article repeated the claim. The feeling of bittheness had been replaced by one of

To some extent the position seemed akin to an account I read of the writer of, I think, a cowboys and Indians adventure serial. The writer left his hero pinned up against a bluff with whooping Indians closing in on him and an Indian brave with a tomahawk on top of the bluff. The writer then went on holiday expecting his went on boliday, expecting his assistant to write the next episode. The assistant was flummoxed. He considered that the situation was beyond solving He was too afraid to kill the hero off, or to have him seriously wounded, and so the continuation of the serial had to await the return of the writer.

The end of the story was that the writer duly returned from holiday and rescued the hero in the following fashion "With one bound be leapt over the heads of the approaching braves . . Now read on.

Before presenting some formula to the United States to reconcile the Government's ban on nucleararmed and nuclear-powered ships, it appears to me that the Government has to make some soothing noises to the Americans

In the first place, there should be no challenge to the freedom of navigation. Until recently, the Government has been toying with the idea that nuclear ships should be banned from the territorial sea as well as in ports. The Government could renounce that as one of its objectives. The Americans lend to believe in passage on the high seas as an article of taith and challengers to it are regarded as heretics

Second, the Government should make it clear that it will not directly challenge the American policy of neither confirming nor denying whether a warship is carrying nuclear weapons. The Americans seem adamant on that matter. A few words about appreciating the reasons for the policy would cost very little.
Third, the Government should

continue to do what it has already begun by way of demonstrating that New Zealand is part of the Western alliance. It has troops in Sinai and in Singapore. Little could be considered more peaceful than the Sinai role as observers. The simple presence of the troops in Singapore apparently fulfils a use-ful function.

When he was in the United When he was in the United States, in Europe, and in Asia, the Prime Minister, Mr Lange, kept making the point that New Zea-land belonged to the West. The Americans tend to be a little hard of hearing on such matters and the message might need repeating. The fourth task is related. For

the sake of its relationships with and its image in other countries New Zealand needs to have a reasonably high profile for a while. This is because the country could be cast too easily in a light of being a collection of little islands somewhere in the south-west Pacific with some isolationist leanings and with an eccentric policy of

banning nuclear ships
I have little doubt that attempts
will be made to portray New
Zealand in this way Early reactions to what the Government planned brought some comparisons with Cuba. Everyone in New Zea-land knows that Mr Lange is not bearded and he has not been seen yet with a cigar. New Zealand will have to show that it really belongs to this age. That will be a measure of self-protection in case the Americans present us in an odd

way to other countries. I cannot see a screwball image of New Zealand being held in Britain, but some other countries might be more easily led

It is worth pausing for a moment to consider whether, in any of these actions. New Zealand

is giving anything away.
Dropping any attempt to exclude nuclear ships from New Zealand's 12-mile territorial seas is not a compromise or a capitulation Under the Law of the Sea Treaty, the right of innocent passage through territorial seas is permitted in the early days of the Labour Government, it appeared to be assumed that New Zealand had the authority to ban nuclear ships from its territorial waters as well as from its ports. That position cannot be justified under the Law of the Sea treaty Although the United States is not

a signatory of that treaty. New Zealand has long placed great reliance on international treaties It would be totally inconsistent for New Zealand to ignore the articles of the treaty on this point. So nothing would be lost by making the United States aware of howthe country regarded the right of innocent passage. Nor would New Zealand be

giving anything away by making it clear to the Americans that it was not directly challenging the policy of neither confirming nor denying whether nuclear weapons were being carried. The cause is lost anyway. The Americans would not accept a change either for strategic reasons or to give ammunition to those who oppose visits of nuclear-armed ships in various countries

By establishing to the Americans that New Zealand considers itself part of the Western world New Zealand would simply be

stating the truth

The finding of a formula to reconcile the banning of visits to ports of nuclear ships and New Zealand's membership of A N.Z.U.S needs to take a number of factors into account. These factors were expanded on in the earlier articles

A formula would have to acknowledge New Zealand's ban, acknowledge the policy of the United States of neither confirming nor denying whether weapons were carried, not present any challenge to the right of innocent passage in international or terrirorial seas, and not exclude a naval element in ANZUS

The last point is necessary be-cause to exclude a naval element would make the whole ANZUS relationship appear farcical -New Zealand is after all, a group of islands isolated by ocean.

The Norwegian and Japanese solutions offer some possibilities. The difficulty with the Japanese one is that the United States-Japan Security Treaty contains a clause under which the United States undertakes not to introduce nuclear weapons to Japan without consultation. As the 1981 incident cited in the first of these articles showed the Americans appear to have been liberal in their interpretation of what was meant by "introduce" The disclosure by Mr Edin Reischauer that United States ships visiting Japanese ports since the 1960s had been carrying nuclear weapons with the verbal agreement of Japanese officials meant that Japanese people had at the very least been under a wrong impression. The point could be made more una-indly. The Japanese solution would not

seem applicable to New Zealand, partly because the understanding between the United States and Japan is already defined in a treaty, and partly because the feeling in New Zealand would make a great many people dis-trustful it could be argued that the issue in Japan has been fudged

The Norwegian solution seems

closer to being a parallel Norway is a full member of the North Atlantic Treaty Organ New Zealand is a full A.N.Z.U.S. The Norwey of eacluding nuclear-airms a ships was articulated by the Prince Minister in 1975 and the attitude is taken that when warships call they will abide by Norway's policy If it is an American warship calling. the Norwegian authorities do not ask the Americans directly whether the ship is carrying nuclear weapons. The figures of American warships which have called to Norwegian ports since 1977 were given in the first of them.

these articles. My impression, baving once talked to an American official who had been posted to Onlo, is that the

Americans respect the policy of Norway rejecting nuclear weapons but that they believe the Norwegians do not worry too much about brief visits of warships

In the present atmosphere in New Zealand, it seems likely that the Norwegian solution would need to be rather more sharply defined before it was acceptable to New Zealanders. In any case, the Americans have been making the point repeatedly that they will neither confirm nor deny whether their ships are carrying nuclear weapons as far as New Zealand is concerned they will not want to do

it by implication
This narrows the possibilities somewhat Probably the only way out is for New Zealand, once it is presented with a list of possible ship visits in December, to decide from its own resources whether it is likely that particular ships would be carrying nuclear weapons or not. Such a decision would have to have an element of doubt left in it because even a pleasure launch of sufficient size could carry a nuclear bomb. However, the Government has reasonable access to information about the purpose of ships and it has its own naval experts to call on to advise it.

This method would at least have the advantage of a reliance on New Zealand's own assessments and decisions and the country would not be at the mercy of being told what another country believed

is good for New Zealand to know. The New Zealand policy has more implications. What the country is really looking towards is a South Pacific in which there is naval co-operation as well as other co-operation among the ANZUS members, and which is protected by conventional arms. That would probably be a bit much for the Americans to swallow for a while

If the Norwegians and other Nordic countries keep nuclear weapons out of their region be-cause of the proximity to the Soviet Union, a case surely could be made that the South Pacific— from which the Soviet Union is near enough to being absent alto-gether — should be as nuclear-free That might be a proposition for another day, it is no good expecting the Americans to take such a leap with one bound

BENEFITE OF GREATER COOPERATION WITH AUSTRALIAN FARMERS

Christchurch THE PRESS in English 23 Oct 84 p 12

[Editorial: "Better to Unite Than Fight"]

[Text]

Overtures from the national organisation of farmers in Australia proposing greater co-operation between Australia and New Zealand in the marketing of agricultural produce in third countries deserve serious consideration. Almost at the same time that the president of the Australian National Farmers' Federation, Mr Ian McLachlan, was advocating a joint effort by the two countries to market agricultural surpluses, New Zealand's Minister of Overseas Trade, Mr Moore, was defending the New Zealand Meat Board's decision to render down 40,000 tonnes of export lamb and mutton into tallow and meal because markets cannot be found for it. In the present circumstances of world agricultural surpluses and mounting agricultural protectionism, the concept of trans-Tasman co-operation should receive prompt investigation to identify any obstacles and to devise ways around them.

The logical starting point for a co-operative effort would be in sheepmeat exports Australia and New Zealand are the two biggest exporters of sheepmeat in the world. Between them they account for most of the lamb and mutton traded on world markets. Competition between Australian suppliers and the New Zealand Meat Board, which controls all exports of carcase and primal cut lamb, has become intense, particularly in Japan. In some respects the Australians have stolen a march on New Zealand with their promotion in Japan of grainfed lamb and smoked lamb, both of which have a different smell from New Zealand's grass-fed product and are more readily acceptable in Japan. The Australian initiatives can be countered, but the trade then becomes something of a see-saw battle that costs both countries.

New Zealand and Australian lamb

exporters are openly waging a price war in Japan. The pointlessness of this led to talks in Sydney earlier this month between representatives of the industries on each side of the Tasman. The meeting was to be a prelude to hammering out a joint marketing plan for Japan. The result of that meeting has not been made public. Presumably any progress towards a joint plan will be slow. The fact that the meeting was held, coupled with the subsequent feelers from the Australian farmers' organisation, is evidence enough of a willingness to put an end to needless price-cutting and duplication of effort. Although price-cutting might help one or other country to gain a sale in Japan, it is to the detriment of both countries in the long run. Great efforts have been made to promote lamb as a top-ofthe market food and a quality product; this work is undone overnight if competition to gain a sale means virtually dumping tonnes of lamb in Japan at bargain prices.

Japan is something of a special case, however. Even if the marketing efforts of Australia and New Zealand could be put on a rational footing there, this would be only a part of the answer. The development of a highquality, high-price market in Japan demands the best product, preferably chilled and not frozen. Thousands of tonnes of sheepmeat languish in freezers in Australia and New Zealand, and virtually none of it is suitable for the Japanese trade. Unless this is to be reduced to meat and bone meal, or to tallow, other markets must be found, markets where good quality is a sufficient recommendation and not only he very best will do. In these markets, Australia and New Zealand are likely to face competition from the European Economic Community which has stockpiles of its own, created at great expense under the subsidies of the E.E.C.'s common agricultural policy.

The options are few. The meat cannot be held in storage indefinitely. Over time its quality drops, there comes a point where the cost of storage erodes any profit that might be had from even the best prices, and the pressure on storage space must be eased to make room for the new season's kill. The indications so far are that this season's kill will be a record and storage space will be at a premium. The surpluses cannot be dumped on overseas markets without bringing down the price New Zealand gets for its other sales and without inviting retaliation from competitors. The result could be a vicious trade war and the risks are too great. Selling the surpluses cheaply on the domestic market is not a solution. A little of the surplus product is being sold this way at present, particularly through retail chains. The stockpile is too large to get rid of this way, however, without completely disrupting the local market

Even offering the meat as aid is not a solution. Many of the countries in need of the protein that the meat could provide have no tradition of eating sheepmeat; as a food it would not find favour readily An even bigger problem is that most countries to which it would be sent as aid do not have the storage of distribution systems necessary to cope with a highly-perishable frozen product in the high temperatures common to most Third World countries. The meat would not on the wharves

before it could be delivered to the hungry. New ways of processing meat — canning and freeze-drying for instance — might not only make sheepmeats an acceptable product for many. Third World countries, but create a new market. An added attraction of this course is that the extra processing of the meat before it is exported would create extra jobs here and in Australia.

The research, product development, and promotion that would be necessary to launch such products would be an ideal focus for trans-Tasman co-operation. In the spirit of the closer economic relations agreement, representatives of the various parts of the meal industry in Australia and New Zealand are beginning to talk to each other about working together for their mutual advantage. The president of New Zealand Fede ated Farmers, Mr. Elworthy, will have the opportunity to enlarge upon this theme next month. He has been invited to open the national conference of the Australian Farmers' Federation on November 20. Before the closer economic relation: agreement could be signed, the co-operation of farmers on both sides of the Taxman was required, particularly in respect of dairy production. The co-operation was forthcoming. If farmers can be persuaded now of the need for co-operation in sheepmeat exports, the other sectors of the industry will not be far behind

FIGURES REVEAL TRADE DISADVANTAGE, RISING DEFICIT

Wellington THE EVENING POST in English 27 Oct 84 p 1

[Article by Bruce Kohn]

[Text]

The harsh reality of New Zealand's trading position is emphasised in the latest set of trade figures produced by the Statistics Department covering the month of September.

The figures, which reflect the impact of the July devaluation, show imports exceeded exports in cash terms by \$340.7 million — a marked jump on the \$114 million differential in the same month last year.

Exports during the month fetched \$707.7 million compared with \$609.6 million in September of 1983. But the cost of imports was up from \$723.6 million to \$1048 million

At the same time as the department made the figures public, the Department of Trade and Industry announced it had approved in the two weeks to October 23 a total of 106 price increases — because of import price rises.

'Alarming'

The department also said it had granted seven applications for "hardship relief," permitting price rises to take place.

The Social Credit Party leader,

Mr Bruce Beetham, termed the latest trade figures "alarming"

"The monthly deficit figures appear out of control with the Septem ber imports up 44 percent on the previous year."

"The only point of devaluation is to bring trade back into balance, but if anything it is getting worse. We have suffered all the pain for noth-

"Clearly some form of firm exchange control is desperately needed to stop this wastage of overseas funds. It appears that Roger Douglas is even less willing to take such action than his predecessor," Mr Beetham said.

AUSTRALIAN EXECUTIVE WARNS ON CER TRANSFER ADVANTAGES

Wellington THE EVENING POST in English 26 Oct 84 p 10

[Text]

New Zealand should beware the prospects of a row in Australia should Australian manufacturers transfer a good deal of their activity across the Tasman to take advantage of lower costs of production.

A warning to this effect came yesterday from the chairman of Hill Samuel Australia, Mr David Clarke at a press conference to mark the open-

ing of Hill Samuel New Zealand

He warned that should such a transfer of manufacturing occur there could well be a surge of protest to the Government in Canberra for action to be taken to stop it. If so, strains could creep into the CER arrangement

Hill Samuel New Zealand currently operates only in foreign exchange dealing but plans to expand to offer full merchant banking facilities, Mr Clarke said Hill Samuel Australia will early in the new year become a trading bank under the name Macquarie Bank. The company's London-based parent will sell 70 percent of its holding in the Australian company to the subsidiary.

Hill Samuel New Zealand will be 70 percent owned by the Australian company and 30 percent by the Government Life Assurance Corporation.

Hill Samuel New Zealand has a formal unified management agreement with Wellington sharebrokers Francis Allison Symes and three of the FAS partners are on the board.

The Prime Minister, Mr Lange, said at the opening of the new office that all 130 investment proposals held up by the former Government's moratorium on Australian investment had now been dealt with A further 40 Australian proposals had been approved, or were about to be

'DESPERATE FINANCIAL STRAITS' OF FARMING ANALYZED

Wellington THE EVENING POST in English 26 Oct 84 p 10

[Text]

The "backbone" of the New Zealand economy — the farming industry — is in desperate financial straits against the background of high short-term interest rates, falling land values and international marketing pressures.

Farming leaders attending a meat and wool section Federated Farmers meeting yesterday spelt out dramatically the problems facing the industry.

"There is a serious short-term problem," said Mr David Peterson, vice-chairman of the section. "Looking at those deeply in debt, there are a large number with really serious problems and in d .ger of folding."

The leadership agreed the problem centred on dropping land values cutting away the equity farmers had borrowed against at a time when interest rates were rising sharply.

Chairman of the Hawke's Bay division, Mr Doug Newell-Usticke, said This is a disaster, the whole industry is going down.

The chairman of the section, Mr Bruce Anderson, said he was particularly concerned there might be a threat of increased interest rates on Rural Bank loans. "It is the economic climate, not a problem of farmers' making and we have to look after them.

The comments of the farming leaders on the gravity of the rural financial situation echoed fears held by executives in national stock and station agencies.

Stock and station agent lending is up by nearly 25 percent, with loans to farmers up some \$85 million on figures covering this period last year.

The association of stock and station agents has warned farmers that agencies are not a bottomless pit of funds for poor performers or farmers whose debt level is too high.

Trading bank lending to farmers is running between 10 and 17 percent higher

than the previous year

The president of Federated Farmers, Mr Peter Elworthy, has raised the farmers' financial problems with the Government and advocated a switch of emphasis from short-term to long-term borrowing

CARTOON ILLUSTRATES DEFENSE, CREDIT PROBLEMS
Wellington THE EVENING POST in English 24 Oct 84 p 6
[Text]



ARTICLES ON NEED FOR JAPANESE TRADE, SHRINKING DEMAND

Most Important Trade Partner

Auckland THE NEW ZEALAND HERALD in English 23 Oct 84 p 3

[Article by Roy Vaughan]

[Text]

The Prime Minister of Japan, Mr Nakasone, says recent increases in the volume of trade between Japan and New Zealand have been remarkable and it is clearly going to continue to expand.

The two-way trade between the two countries is now valued at over \$3 billion, making Japan New Zealand's most important trading partner.

Japan takes 12.7 per cent of New Zealand's exports according to the latest trade

In an address read on his behalf to the Japan New Zealand Business Council conference at Kyoto yesterday. Mr Nakasine described New Zealand as one of the leading nations of the region and hoped relations between the two countries would deepen even more in years to come.

In his message to the conference the New Zealand Prime Minister, Mr Lange, said "New Zealand is first and foremost a Pacific nation and we will be duing our utmost to develop our links with this region in the years to come."

The two Prime Ministers are likely to meet in New Zealand in January, if Mr Nakasone is re-elected next month. Diplomatic sources in Tokyo say Mr Lange is likely to visit Japan in September or October next year.

Japan's Shrinking Demand

Auckland THE NEW ZEALAND HERALD in English 23 Oct 84 p 3

[Article by Roy Vaughan]

[Text]

A Japanese cabinet minister says New Zealand can no longer expect big growth in its food exports to Japan because the Japanese people are now adequately fed.

In an address to delet Regardless of his predict importance than price and Zealand Business Council ment has lowered trade lies. conference yesterday, the harriers on a number of Minister of Agriculture, food items this year Forestry and Fisheries, Mr Shinjiro Yamamura, said and paste, fruit pulp, non-Japanese demand for agricultural, forestry and fishery products, which had increased steadily during high economic growth, was now stagnant.

He said the diet of Japanese people had reached saturation point quantitatively and qualitatively.

According to official figures, the country's calorie intake per head has been virtually fixed at slightly less than 2600 kilocalories for more than 10 vears

Cutback

The net result, according to Mr Yamamura, is that Japan has had to reduce its own agricultural production

This makes unlikely a continued increase in the land's second-largest more prosperous by the volume of imports of agri- market for dairy products, year. It was a society in cultural, forestry and fishhe says.
"The challenge for the

per cent of the total value of trade up market - where New Zealand's trade with quality and other considera- where consumption pat-Japan.

Access for fruit purec citrus juice, beef, oranges and legumes has been forest products. cased

New Zealand fruit and taken the view, expressed planned. in a paper issued at the conference, that there is generally plenty of scope to expand the value of their exports.

est supplier of fresh vege- one-off promotions tables, according to the commercial minister at the

Challenge

The challenge for the monstrated a great of these items make up 60 future will be to move our to absorb new ideas.

gates at the 11th Japan New 1500s, the Japanese Govern- where greater security

He said New Zealand trade officials had already identified three areas deserving special attention lamb, horticulture and

Various studies aimed at boosting those exports were vegetable exporters have already under way or

Promotions

There was likely to be New Zealand involvement in more than 100 food fairs in Japan this year, Mr Horticultural exports to Cheyne said. New Zealand Japan are now worth almost as much as meat exports, and New Zealand is now by far Japan's large would be numerous other

While Mr Yamamura's New Zealand Emhassy in Tokyo, Mr Gerard Cheyne.

Challenger at the tones may be pessimistic for New Zealand. Mr Cheyne said Japan was a wealthy market whose con-Japan is also New Zea- sumers were becoming transition which had demonstrated a great capacity

It was also a market tions can assume greater terns were still forming. whereas in Europe and the United States consumption patterns were relatively settled

Delegation Heets Nakasone

Wellington THE EVENING POST in English 27 Oct 84 p 3

[Text]

Japanese Prime Minister Yasuhiro Nakasone yesterday met a New Zealand business delegation in a move hailed by diplomatic observers as signalling special interest in bilateral relations between the two countries.

The meeting took place in Tokyo following the New Zealand-Japan Businessmen's Council talks in Kyoto attended by a mission of 60 New Zealand executives

The four-person New Zealand team to meet with Mr Nakasone was led by the managing-director of Marac, Mr Barrie Downie.

He indicated later the group had urged Japanese support for global free trade in agricultural prodsects.

Mr Nakasone told the group he wished to take up an invitation to visit New Zealand but that the Japanese domestic political situation meant he could not make any plans for overseas travel.

He is expected next month to win endorsement from his Liberal Democratic Party (LDP) for a second two-year term as Prime Minister - an endorsement which would make him the first LDP leader in almost a decade to serve two terms in offace

Mr Downie, who left for New Zealand last ngiht. said he believed the grant-

ing of the meeting indicated the seriousness with which Japan took the bilateral relationship

MOODYS DOWNGRADES NATIONS 'TOPDRAWER' CREDIT RATING

'Fundamental Economic Problems' Cited

Wellington THE EVENING POST in English 18 Oct 84 p 34

[Article by Tony Garnier]

[Text]

The Minister of Finance, Mr Douglas, said the downgrading, from triple A to double A would obviously not help New Zealand's efforts in the national loan market.

While he still believed New Zealand would raise, "without too much trouble," the money needed to meet its borrowing programme, unfortunately it was likely to put upward pressure on interest rates.

It did not need to be much of an upward lift to cost New Zealand quite a lot of money, said Mr Douglas

In a statement released in New York last night, Moodys Investor Service of New York announced it had lowered the rating on New Zealand because of the country's fundamental economic problems, including depressed terms of trade and access to export market which had caused seriously high deficits on the current account and the budget.

This had resulted in rapidly rising debt

While the new government had moved swiftly to redress imbalances. Moodys' statement said the reduction of the nation's debt was likely to be a protracted process, giving less protection for bondholders in the interim than was consistent with prime-credit standing.

The move by Moodys follows a similar downgrading by another major rating agency. Standard and Poors, also from triple A to double A last year.

Commenting today, Mr Douglas said he did not wish to overstate the impact it would have

He believed overseas lenders knew New Zealand's true situation, and Moodys' statement showed this

Its statement recognised the actions of the incoming government would be beneficial to New Zealand's ongoing economic performance

The downgrading was because of what Mr Douglas termed "economic management" by previous Muldoon administrations over the last nine years.

Mr Douglas said he accepted no responsibility for the downgrading, and there was no way of reading into Moodys' statement an interpretation reflecting poorly on Labour's performance to date.

Quite the contrary, Moodys had quite clearly stated the downgrading was because of years of economic neglect and increasing debt. Further, Moodys had said the actions of the incoming goverament were soundly based.

Moodys had been in discussion with New Zealand officials before making the change

It had indicated the change in

rating was not on the basis of policies of the new Government, but in terms of the facts as they now were

And a key one, said Mr Douglas was that New Zealand's official overseas debt had climbed from \$1 billion to more than \$10 billion since 1975.

billion since 1975.

While New Zealand's credit rating was now about 16th in the world. Australia, which still enjoyed tripla A status, was right in the top drawer.

Meanwhile, the "Post" understands that the Government will this afternoon seek to adjourn Parliament for a snap debate on the latest news from New York, a move which is also likely to see MPs express concern on the other knock-back to New Zealand's economic recovery received from overseas yesterday — that the EEC plans to dump butter at rock bottom prices. (Stories, pages 3 and 5)

• The leader of the Opposition, Sir Robert Muldoon, told NZPA the drop in credit rating would be largely accounted by the fact New Zealand was heading back to a time of very high inflation and the prospects for exports did not look at all good.

Work on the assessment rate was carried out several weeks ago. "but the writing was on the wall then," he said He was not

surprised at the move

Parliament Debate Seeks Blame

Auckland THE NEW ZEALAND HERALD in English 19 Oct 84 p 5

An expected downgrading of New Zealand's international credit rating was suggested in Parliament vesterday as a reason for the timing of the general election this year.

The idea was floated by the senior Government whip, Dr Michael Cullen, during a snap debate on the change in the rating set by the Moody's financial reporting agency in New York from Triple-A to Double-A.

Moody's a private international credit rating organisation, has lowered its rating of New Zealand's two outstanding United States debt issues totalling \$11.2 million.

Imbalances

Fundamental problems, including depressed terms of trade and access to export markets, had caused seriously high current account and budget deficits, resulting in rapidly rising debt, it said.

While the new Government had moved swiftly to redress imbalances, reduction of the nation's debt was likely to be a drawn-out process, giving less protection for bondholders in the interim than was consistent with a prime credit stand-

Dr Cullen claimed in Parliament yesterday the previous Prime Minister. Sir Robert Muldoon, had known that at least one major credit rating firm would announce a revised assessment of New Zealand before the scheduled election in November.

'is that one of the reasons why he [Sir Robert] called the snap election? Dr Culien asked.

"Was that a further reason for the gamble on the 14th of June?" Sir Robert announced the election on that date.

Dr Culien requested the would reverse New Zeasnap debate - an unusual move by a Government MP. because adjournment debates are normally called for by the Opposition.

Tory Chickens

Having been given approval for his request by the Speaker, Sir Basil Arthur, Dr Cullen claimed the Moody's rating review announced yesterday was solely a result of policies pursued by the Muldoon Government

"Tory chickens are coming home to roost in the homes, factories and workplaces of the people of this nation," he said.

"No one can possibly pretend that our credit rating has diminished because of actions taken over the last couple of months."

Credit ratings were reviewed on the basis of structural, rather than shortterm or temporary, economic conditions.

Dr Cullen claimed that Sir Robert, as Minister of Finance, had followed policies based on hope and living from day to day.

No Remedies

However, Sir Robert said his Government had inherited a Double-A credit rating from the previous Labour Administration, and this assessment had later improved.

His Government had boreffect, for projects which

land's external deficit within three or four years.

In changing its credit rating, said Sir Robert, Moody's was saying in effect that there were no remedies for New Zealand's problems contained in policies announced by the new Government.

"Moody's unquestionably looked at the devaluation and realised it was a bad devaluation," he said.

"No wonder Moody's said, they had lost some confidence."

Sir Robert acknowledged that another reporting agency, Standard and Poors, of New York, had dropped their rating of New Zealand during his term as Prime Minister.

But the Government had ne on to borrow in Europe at better terms than

any other country. That was the real test of expert international opinion

Sir Robert claimed the new Government had done more damage to the economy in three months than any other New Zealand government.

Consequences

However, the Prime Minister, Mr Lange, said the country had been within days of defaulting on its debt repayments at the time of the election.

Sir Robert was now in the rowed overseas, but to good terminal phase of his political life, he said, and had left an unfortunate legacy

"Today we reap the consequences of that management which was so personally deluded that he [Sir Robert] thought that by

the passing of regulations he could change the whole history of economic progress and development.

Mr Lange said Moody's had followed Standard and Poors in setting its second highest rating for New Zealand.

But the review had acknowleged that the new Government had acted to redress the imbalances built into the economy by the Muldoon Administra-

Mr Michael Cox (Nat-Manawatu) said bankers assessed credit ratings for a person or country on the basis of their ability to manage their finances. Moody's had given New Zealand the thumbs down

Looking at the Government's plans, he said moves to tax wealth were crass stupidity, because every banker knew that investment created jobs.

nation shall and NZPA

PAPER REPORTS FOREIGN SUPPORT FOR NUCLEAR-FREE ZONE

GDR Envoy 'Welcomes Efforts'

Wellington THE EVENING POST in English 18 Oct 84 p 14

[Text]

The Ambassador for the Democratic Republic of Germany, Mr Joachim Elm, welcomes New Zealand efforts to establish a nuclear-free zone in the South Pacific

Mr Elm, who is based in Canberra, has been here for a week's visit to discuss foreign affairs and trade issues with New Zealand politicians and officials

He said his country supported the concept of nuclear-free zones in Europe and in other territories.

He noted that Soviet Foreign Minister Mr Andrei Gromyko had told Prime Minister, Mr Lange, that the Soviet Union would "more than likely support and respect such a sone in the South Pacific "That is in complete con-

formity with our own policy," he said

"In all my talks (with New Zealand officials) we have agreed that it is very important to do everything possible to prevent nuclear war breaking out."

He said progress on disarmament depended on the West's withdrawal of its medium-range nuclear missiles from Europe.

During his visit be met Oversoon Trade Minister Mr Moore and Trade and Industry Minister Mr Caygill, as well as the Leader of the Opposition, Sir Robert Muldoon

He said the Democratic Republic of Germany would seek to redress the trade imbalance with New Zealand, which runs in favour of this country.

His country would contime to buy large amounts of wool from New Zealand, and would seek to promote such items as machine tools, scientific instruments and typewriters to New Zealand buyers.

He said the recent formation of a committee of Friends of the Democratic Republic of Germany would help improve the trading relationship between the two countries.

He had urged New Zealand private and public sector representatives to attend regular trade fairs held in Leipzig, where more than 60 countries displayed their goods

Mr Elm has been Ambaseador to New Zealand since 1982 and has made four visits here. Joint trade talks are scheduled for 1985, though a firm date has not been fixed.

UK Would Back Unanimous Zone

Wellington THE EVENING POST in English 20 Oct 84 p 4

[Text]

The British Government would support the principle of a nuclear-free zone in the South Pacific if such a concept had the support of all countries in the region, its Minister of State, Baroness Young, said in Wellington yesterday

Baroness Young, who has been to New Zealand for four it and leaves for Aurain foday, said the only inser proviso for British support for such a zone was that it did not adversely affect the balance of security in the region.

During her visit Buroness Young had what she called "useful and interesting discussions" with the Prime Minister, Mr Lange, the deputy Prime Minister, Mr Palmer, and other senter government representatives.

Asked if she had brought with her any specific message on the nuclear issue from the British Prime Minister, Mrs Thatcher, the Baroness said no but it had been a subject which had been discussed with Mr Lange

She said the question of visits to New Zealand by nuclear-capable British ships and their access to local ports was a matter that "was being explored with the New Zealand Government."

The Baroness refused to speculate on what would be British Government reaction to the denial of access to New Zealand ports.

"We are still consulting with your Government I would not want to speculate on the outcome of a hypothetical situation," she said.

She said the two countries had long maintained a close and good relationship British warships always had been welcome visitors.

"It would be sad if they could not continue to do so," she said

The Bareness told the preus conference the proposed move by the European Economic Community to dump old butter on the world market had been discussed during her visit here.

She said Britain had done what it could to avoid the dumping happening but it had been a decision made by the community.

She said there was little now that could be done by Britain to change the decision.

NUCLEAR FREE PETITION FAILS IN LYTTELTON HARBOR

Issue To Reemerge in 1986

Christchurch THE PRESS in English 18 Oct 84 p 8

[Text]

The third attempt since 1982 to declare the Port of Lyttelton a nuclear weapons free zone was narrowly rejected by the Lyttelton Harbour Board at its meeting yesterday

A motion by the Labour member. Mrs. Judits Waters, to prevent ships carrying nuclear weapons entering the port, was lost on the casting vote of the chairman, Mr G. E. Wright

E. Wright
Mr Wright used his casting vote after the
board was split at five all
on the issue

The member for Lyttelton, Mr B W Stevens presented a petition of 6000 signatures on behalf of the Lyttelton Peace Group, asking that the port be declared a nuclear weaponsfree zone. Four members of the group were present at the meeting held at the board's Madran Street offices.

The board received the petition and after discussion of standing order procedures, agreed to accept the motion of Mrs Waters, which was seconded by Mr Stevens.

Stevens
The Lyttelton Peace
Group urged the board to
declare the port a nuclear
weapons-free zone "for the
future of Canterbury and
our children." Mr Stevens

The land burdering the harbour was nuclear weapons free and more than 2 million New Zealanders lived in similar rines the group hand in its submission

Lettelton Harborr is used by ships with nuclear capabilities and this could make it vulnerable to a nuclear disunter or watter a strack.

optain C. M. Anderson said that he did not support or reject the petition However he questioned the role of the board in dealing with the issues.

"If we accept this, then we are open to petitions on all sorts of religious and political insues" he said

Sir Hamish Hay said that it was an issue the board should consider "The port receives visits from all ships and it is quite appropriate that the board should consider this matter." Mr W. V. Cowles said that

Mr W V Cowles said that it was not necessary for the board to vote on the insue as it was a policy of the board to adopt the policies of the Government of the

day
Mr A. A. Maciarlane said
that the board had no power
to enforce such a zone
"Naval ships are centrolled
by an act of Parliament.
They are controlled by the
Government and therefore I
think we are just wasting
our time," be said.

Mrs. Waters said that if the board passed the motion it would have recourse in the future to request the Government not to bring thips carrying nuclear weapons to the port.

we do not pars the

motion then we have to accept these ships in the future without protest," she said.

Mrs Waters, Sir Hamish Mr D G Church, Mr D B. Bruce and Mr Stevens voted in favour of the motion

Mr Cowles Mr Macfarlane, Mr Wright, Captain Anderson and Mr P J Skellerup voted to reject the move. Mr J Brand, Mr I D Howell and Mr J E. Mannering were absent from yesterday's meeting.

After the meeting, a spokesman for the peace group, Ms Prue Stringer expressed disappointment at the result, although the closeness of the vote was seen as a hopeful sign.

Ms Stringer said progress had been made since March, when the same motion before the board failed for want of a seconder

The board first discussed the issue in May, 1982, when it voted 10 to three against.

The group's efforts would now be centred on the next local body elections in 1906 where it would be "quite an important issue." Mi Stringer said

The majority of New Zealanders are in favour of a nuclear-free New Zealand As members of a publicly elected board they should listen to the public's views."

"I do not think board members have taken the trouble to educate themselves on the issue," said Ms Stringer.

Group Explains Efforts

Christchurch THE PRESS in English 17 Oct 84 p 9

[Text]

Ships carrying nuclear weapons might not be welcome at the port of Lyttel-ton after the Lyttelton Har-bour Board has met this morning

A petition of 6000 signatures has been organised by the Lyttelton Peace group in an attempt to have the port declared a nuclear weapon free zone

Peace group members hope it will receive a favourable response when pre-

port of Lyttelton declared auclear weapon-free comes after the success of a similar attempt at Wellington Harbour last November

A spokesman for the peace group. Ms Prue stringer, sees the forming of a nuclear weapon free zone as a "symbolic ges-ture"

"It will not mean that

sonted to the Barbour ships carrying nuclear Board this morning weapons cannot come into The attempt to have the harbour. We cannot legally prevent them from doing this without Governlegistation," ment she said

Any ship with nuclear weapons that entered a zone where it had been hanned would receive an unfavour-

abe response she said.

Any protest about the subject had to come from

group's main goal of disarmament was to be reached

The group said that more than two million New Zealanders now live in 15 nuclear free gones

"We must make a statement of our beliefs both to show support for the new Government's anti-nuclear policy and also to have a record of the people's wishes, should there be a subject had to come from further change of Govern the "grass routs" if the ment, Ms Stringer said

LANGE ECONOMIC ADDRESS AT CHAMBER OF COMMERCE MEETING

'Impractical' to Rely Upon U.S.

Wellington THE EVENING POST in English 25 Oct 84 p 1

[Article by Tony Garnier]

[Text]

It is impractical and damaging to expect the United States to guarantee New Zealand's economic security, the Prime Minister, Mr Lange, said today.

Speaking to the Asia-Pacific Council of American Chambers of Commerce it. Auckland, Mr Lange said it was an impractical proposition that New Zealand should look to the United States as a guarantor,

The suggestion was as much a disservice to the United States as it was to New Zealand, he said

"It is damaging when politicians and others in New Zealand put it in the mind of the public here that the United States can guarantee our economic security and a market for our export trade," he said.

"That is to create an expectation which cannot possibly be fulfilled."

There was no point in New Zealand feeling betrayed or outraged by the fact that this country had not been able to get the sort of access to the United States market it would like for its beef, or that the United States put up nontraiff barriers to most of this country's dairy products.

New Zealand had to accept that the United States had a powerful agriculture lobby whose interests were not those of New Zealand's, and this country had to deal with it. It had been a factor since the trade began and would be for as long as he could see, said Mr Lange.

Mr Lange said New Zealand could never again look for a country — the UK or America — or an international agreement which would be "father and mother to us."

The Government's policy of opposing nuclear weapons, yet remaining in the Anzus Treaty, is becoming widely accepted by New Zealanders, according to the Deputy Minister of Foreign Affairs, Mr O'Flynn.

"The enormous amount of favourable correspondence that I receive and the results of opinion polls testify to that," he told a Wellington reception last night celebrating United Nations Day.

"New Zealand has not suddenly become anti-Western or anti-American"

Reducing Protection Against Imports

Auckland THE NEW ZEALAND HERALD in English 26 Oct 84 p 4

[Text]

The Prime Minister, Mr Lange, says New Zealand is entering a new outward phase of development in which

overseas customers will determine what this country produces.

He told the Asia-Pacific council of American Chambers of Commerce in Auclland yesterday that New Zealand producers would respond in future to "the people who actually pay the bill."

The 160 top executives from 16 countries attending the council meeting gave him standing ovations both before and after the speech

'Outward Phase'

"We are unilaterally moving to reduce frontier protection against imports." Mr Lange told them

"It is the absolutely determined view of this Government that we will not have production in New Zealand tailored any more to meet the parameters of a subsidy, but we will have pro-

duction which is actually consumer and murketoriented

"This is a new phase of our economic developmer." I have called it the outward phase of development."

Mr Lange said New Zealand was not being altruistic or concerned for developing countries when it argued against agricultural protectionism in Europe of the United States.

Able to Argue

It was "sheer, naked selfinterest" which caused New Zealand to rebel against foreign import controls

But, to be credible, if had to dismantle its own protetion devices.

"Unless we do that, we are not going to be able to argue that other countries are wrong when they put the shutters up on our products," he said

ENERGY MINISTER ON NEGATIVE EFFECTS OF OIL PRICE CUTS

Christchurch THE PRESS in English 20 Oct 84 p 8

[Excerpt] PA, Wellington

The falling international price of oil and uncertainty in the international market did not mean good news for New Zealand, said the Minister of Energy, Mr Tizard, yesterday.

"The more significant thing for us is the effect of this oil uncertainty on the level of the New Zealand dollar relative to the American dollar," he said "The price has fallen in

The price has fallen in American dollar terms The New Zealand dollar has fallen relative to the American and therefore we do not get the full advantage — even if our contract prices do fall

"We could be paying more New Zealand dollars. Then when we start to look at the effect on our alternate fuels programme, we have got to see which of our costs and our savings are in American dollars and which of our costs or savings are just in New zealand dollars.

— and that is quite a complex sum.

"It takes some time for the figures to flow through and then we can work them out." he said

and then we can work them out," he said.

From London, NZPA-Reuter reports that the Organisation of Petroleum Exporting Countries faces its worst crisis since early last year after Nigeria decided to break ranks and follow price cuts by two non-members, Norway and Britain.

ENVOY TO UN 'ENCOURAGED' BY REAGAN ARMS SLOWDOWN PROPOSALS Wellington THE EVENING POST in English 20 Oct 84 p 7

[Article by Hugh Nevill]

[Text]

WASHINGTON, Oct 19. — Signs in the past few weeks have given New Zealand hope for a slowdown in the nuclear arms race, deputy permanent representative William Mansfield told the United Nations' first committee today.

"We are encouraged by the proposals made by President Reagan in his address to the (General) Assembly," he said, "and hope that these ideas might prepare the way for serious discussions leading to reduction in nuclear armaments."

"New Zealand also hopes that the professed willingness of both the United States and the Soviet Union to enter into negotiations on outer space will be followed up and will lead to an agreement that will enhance the security and stability of all countries.

"We have been greatly concerned at the signs that the military competition between these two countries may in the years ahead move into the new environment of outer space."

Mr Mansfield said New Zealand attached as much importance to control of "horizontal proliferation" of nuclear weapons as to ending the continuing accumulation of nuclear weapons by the superpowers

"If small countries are unable directly to hasten the pace of arms reductions, they are able to argue the case for particular measures that might lead to concrete steps to halt and reverse the arms

"For many years New Zealand's major effort in the disarmament field has been its advocacy of a comprehensive test ban treaty. The early conclusion of a comprehensive test ban continues to be a primary goal for the New Zealand Government.

Adopted

"We remain convinced that there is no clearer step that the nuclear weapons states can take to demonstrate their commitment to the reduction of their nuclear arsenals than a treaty, with appropriate verification procedures, for the permanent banning of all nuclear tests in all environments for all time."

The resolution New Zealand and Australia put forward last year for early conclusion of a comprehensive test han treaty was adopted by a "very large majority" and had no votes recorded against it, Mr Mansfield said.

"We believe that it rep-

New Zealand would continue to work with its South Pacific neighbours at the UN and in other international bodies to ensure that predicted continued testing by France did not come to pain, Mr Mansfield said

New Zealand intended to participate fully in the upcoming nuclear non-proliferation treaty review conference and hoped strongly that it would lead to a strengthening of the treaty and of the safeguard systems it depended on, he kild.

"We see the non-proliferation treaty as fundamental to world security and we would like to see that treaty more widely accepted."

Chemical

New Zealand supported a Norwegian proposal that a review conference of the Biological Weapons Convention be held in 1986. Mr Mansfield said, and it would work to broaden the coverage of the environmental modification convention.

New Zealand also believed enough suggestions had been put forward to allow progress on establishment of a comprehensive convention to han the production, employment and use of chemical weapons.

Mr Mansfield said New Zealand supported a French proposal on conventional disarmament and development and hoped work on it would advance.

Parties disarmament negotiations, particularly the nuclear states, must have reasonable assurances on verification, Mr Mansfield said

"It seems to us that this requires on the one hand a greater degree of openness in providing information, and on the other a greater flexibility in considering verification proposals."

resented the highest level of agreement that could be reached at that time and held out the best prospects for practical progress towards the accepted goal of ending nuclear tests.

Unable

The ideas contained in the resolution were taken up this year in Geneva in the context of assigning a mandate to an ad hoc committee of the Conference on Disarmament to deal with the nuclear test ban item.

"Those ideas were accepted by a wide range of members of the Conference on Disarmament

"It is disappointing therefore, that despite the best efforts of many delegations to promote a pragmatic and realistic approach to the lisse, the Conference on Disarmament was unable to break the procedural approach to the establishment of an ad boc committee."

"Together with Australia we shall again be putting forward at this assembly a resolution that builds on the agreement that was evident last year in this committee and at the Conference on Disarmames; this year and which we hope will speed up work on the test-ban."

France

New Zealand wanted all nuclear testing stopped. Mr Mansfield said, not just French testing, but France should, however, have no doubt that its nuclear tests in the South Pacific are a central concern to all governments in the region. It should not think that, because many countries in our region are small and vulnerable, their repeated requests for these tents to stop can be ig pored. We are determined that nuclear tests in our region should stop

LANGE WARNS AGAINST STRIKES DURING BARGAINING

Wellington THE EVENING POST in English 19 Oct 84 p 3

[Text]

Groups taking industrial action during award negotiations would go to the bottom of the conciliation list, the Prime Minister, Mr Lange, has warned.

Speaking at a post-caucus pressconference yesterday, Mr Lange said there were no provisions in the new system for people to withdraw, carry on with some industrial action, and then later go back to bargaining again.

"We're finished with that," he said

Considerable restraint would have to be shown, not only on wages, but other things which affected peoples lives. People did not want to win a wage rise to see it "ripped out of them" by price increases, be said.

The president of the Federation of Labour, Mr Jim Knox, said the Fol.'s national executive recommendation to accept the Government's wage-round offer was unanimous. The present proposal was a better way to go than a \$15 wage claim.

"I recognise that this is a better

way to go about it because it means that we break out of the wage freeze. Our people can start filing their claims now and getting their claims ready," he said.

Meanwhile, the advocate for the Drivers Federation, Mr Rob Campbell, said his members intended to use the new system to its fullest extent.

"This will mean a push for wages beyond the tripartite guidelines based on a sound principle adopted by the Fol.," he said yesterday.

Mr Campbell said the drivers' case had been pursued since 1976 and this would be taken up again New legislation was finally opening up the way to resolve the argument that drivers were paid inappropriately low wages.

The union would be calculating the precise details of claims over the next few weeks, but the employers would be aware of the general direction from past experience, he said.

The director of the Canterbury Employers Association, Mr Norman West, said unions would have to contend with counter claims from some employers. Just as unions believed there had been anomalies created during the wage freeze so, too, there were employers who felt that there were things in the awards that peeded changing.

Mr West said he believed there would be considerable pressure on those involved to achieve settlements within the time involved. The wage round would probably go beyond Murch, but those at the tail end of the round would not suffer, he said.

In Wellington today, representatives of the FoL, Employers Federation, Labour Department and the Conciliation Service met to discuss preparations for the forthcoming wage negotiations.

Among the issues on the agenda will be the number of temporary industrial conciliators needed for the negotiations. It is thought up to 24 conciliators could be recruited from the Labour Department to assist the six permanent conciliators for up to six weeks.

COMMANDER ON SINGAPOREAN PERCEPTION OF TROOP COMMITMENT

Christchurch THE PRESS in English 18 Oct 84 p 5

[Article by David Porter]

[Text]

New Zealand's defence commitments in Singapore were in a sense representative of the alliances to which it belonged and a change in the ANZUS pact could affect the way the country's presence was perceived there, said the commander of the New Zealand Force South-East Asia. Brigadier Ian Burrows.

Assurances given by the Prime Minister. Mr Lange, in Singapore that there would be no immediate withdrawal of troops from the region and that New Zealand remained a committed member of the Western alliance were welcomed by Singaporean Foreign Ministry sources.

Brugadier Burrows said in an interview in Singapore that every indication he had received from the Singaporeams was positive about New Zealand's maintaining its presence in the island

New Zealand's two critical defence relationships were ANZUS and the Five Power Defence Arrangement with Malaysia. Singapore, Australia and Britain, he said

"Politically, I guess they see our presence as representative of willingness," and Brigadier Burrows. "We are in a sense representative of the alliances to which we belong."

New Zealand's presence in Singapore did not commit the United States to the scene but the Americans were obviously happy to have New Zealand there, he said

Asked whether a change in New Zealand's defence relationship with the United States would affect the way the defence presence in Singapore was viewed. Brigadier Burrows said it could well do.

Mr Lange said at a press conference in Singapore that one reason there would be no precipitate or unilateral withdrawal of troops from the region was concern that a "wrong signal" might be sent out by New Zealand doing so.

Zealand doing so.
Brigadier Burrows said
Mr Lange's amurances had
been good for the New
Zealand force in Singapore

"There has been the business of not knowing and the insecurity"

Brigadier Burrows instanced such issues as renegotiating land use with the Singaporeans, which had been made more difficult by not being able to make firm commitments on whether New Zealand troops would be remaining

New Zealand forces had been in the region since the 1950s when after the Korean war, Australian, New Zealand and British troops took part in the Malayan Emergency, then were involved in the Indonesian confrontation with Malayasa

"In those days our presence was defined as being New Zealand's contribution to the strategic reserve in South-East Asia," said Brigadier Burrows.

Brigadier Burrows.

"The strategic reserve ceased to be and our reasons for being here at any one time have tended to fluctuate," he said.

Soon after the Malayan and Indonesian problems had subsided Vietnam had come along he said

"I don't think four reasons for heing here) have always been clearly defined but there has been general recognition it is a pretty useful place to be."

When the British and the

When the British and the Australians had withdrawn in the early 1970s New Zealand had stayed on

"I think they were a little surprised we stayed on, but I am sure militarily anyway, they have been extremely envious," said Brigadier Burrows.

It had been New Zealand Government policy sance 1978 to withdraw the troops from Singapore but the 1903 Defence Review opted for a gradual movement with a 10 per cent reduction in strength over the last 12 months, be said

The only other permanent Western presence in the region was Australia's squad ron of Mirage aircraft at Butterworth in Malaysia which the Labour Government has said would be gradually replaced by rotational deployments of FIR fighters after 1900

Brigadier Burrows said it remained New Zealand's basic policy to withdraw

"There may come a time when it makes sense to get out," he said, "It has to be constantly reviewed."

Asked whether New Zealand would maintain its links with the South-East Asian countries by continuing to deploy troops to Singapore and Malaysia on training and other exercises, he said he believed it was the Australian infention to continue to maintain its presence at Butterworth along such lines.

"But from a military point of view I don't think

"But from a military point of view I don't think that is a terribly good way of doing it," he said "I reckon once you are out of here you are out.

"Everything we lose now we are never going to get back. We win't get back the 20 pir cent we have reduced in the last year or so."

The British had talked of going over the horizon and coming back but had effectively not been seen since in Singapore for domestic reasons, he said.

With the 10 per cent reduction the New Zealand force was just about at its skeletal minimum, said Brigadier Burrows.

The heart of the force, the infantry battalion, had a strength of 506 in three companies.

There were another 300

supporting personnel from New Zealand and about 600 locally employed people

"That is just a viable force," and Brigaidier Burrows

Anything less than there companies was not tactically sensible. While the battalion lacked armour and artillery, the force was bal anced over all in baving headquarters and support staff and the Malaysiam and Singaporeans made up any deficencies in joint training exercises, he said.

Brigaider Burrows said be thought one of the reasons why the New Zealand forces were welcomed in the area, was because it gave the Singapoream and Malayssams a "yardstick" against which to measure themselves "We are representative of a certain Western standard that's not too far different from say the Australiams," he said.

As an example of the advantages to the New Zealand force of being in Singapore. Brigadier Burrows instanced a recent exercise bosted by the New Zealand forces, in which Singapore had provided artillery and Malayssa and Singapore had provided battalion com-

mand posts.
"Under the P.P.D.A there is an exercise taking place in New Zealand at the end of the year, with battalion headquarters from each of

the five countries," he said.

We did not realise it but
the Singaporeans and
Malaysians who joined our
exercise here were in fact

exercise here were is fact the two battalion command posts which will go to New Zealand at the end of the year," he said. The good thing was that

The good thing was that the personnel had get to know one another and the South East Assams had seen nomething of the New Zealand way of doing things, he said.

"There is a lot in being independent up here and free from the demands of being absolutely enthroised in your own services in your own country," raid lingadier Burrows. "There are domestic things which rightly or wrongly quite often get priority."

"Here to a very large extent we are free from that and can get on with the real business of training with the consequence that the infantry battalism spends more than 10 per cent of its time in the jungle training in Johore (on the Malaysian pennsula across

from Singapore). "From a military point of view the scope of the jobs that most people in key positions do here is very much wider than the equivalent position in New Zealand... it is a factor of dealing with people from other nations."

LANCE COVERNMENT 'HONEYMOON' APPEARS TO BE ENDING

Auckland THE NEW ZEALAND HERALD in English 20 Oct 84 p 6

[News Analysis by T. Verdon under the rubric "Politics": "It Looks As If Honeymoon Is Ended"]

[Text]

The Prime Minister, Mr Lange, continues to ride a remarkable wave of popularity, even though there are signs that his Government's honeymoon with electors may be drawing to a close.

While unease mounts over the contents of next month's budget. weaknesses in the new Government's cabinet are also showing up

But as the Labour Administration's 100th day in office approaches, there is a general surprise at how smoothly and carefully power has been assumed.

Clearly, major question marks remain about a whole range of Government policies, particularly those anvolving economic direction.

But 'the Government has managed to nepotiate a way through a series of potential pitfalls with considerable political ecumen.

Fears that many Labour politicians would have difficulty adjusting from years in opposition to the Government benches have, in the main, been unfounded

Low Ratings In Polls

The major surprise of the tast three and a half months has been the development of Mr Lunge as Prime Minster.

A year upo, few would have risked losing big money on the chances of his becoming a long-term leader of the Labour Party, let alone a popular Prime Minister.

However, there was a turning point in his fortunes about the beginning of the year, coinciding with an extensive overseas trip as Leader of the Opposition.

Since he became Prime Minister, however, Mr Lange appears to have become the Government's major political asset.

In an opinion poll this week, his personal rating was higher than that

scored by his Australian counterpart. Mr Hawke

While at the time of the election there was no doubt about Mr Lange's intellectual capacity, questions were raised about whether he had the physical stamina for the job.

But it appears the sheer stimulation of being Prime Minister has overcome any natural inclination there might be to take things easily

Today Mr Lange maintains a programme which is at least as busy as Sir Robert's when he was Prime Minister, and Mr Lange now looks healthier than he did when he was Leader of the Opposition

Mr Lange himself says be and his colleagues have been "liberated from the tedium of playing a game"

The perception that Mr. Lance's Government has the ability to survive was abroad only days after the snap election.

Its handling of the fin ancial and constitutional crisis during the "limbo" period between the election and the swearing in gave the impression of a measured and controlled Administration.

However, if remains to be seen whether the Gov ernment was right to de value, and whether the size of the devaluation was correct.

Judgment must await the success or otherwise of companion economic measures in November's budget, and the results of the new wages system.

The other issue which has dominated the Government's months in office has been Anzus, and the ban on visits by nuclear vessels.

Although Mr Lange has appeared to vacillate on

the likely was through the impasse with the United States, public support for the anti-nuclear stance generally has grown

Major Test Of Skill

The way Mr Lange will manoeuvre his way through the difficulty, while trying to hold on to New Zealand's membership of Anzus, will be a major personal test of his political skill.

The Government also carried through its intention to build up a consensus approach to economic management by organising the economic

Summit

Af the end of the conference if appeared that Mr Lange was handing his Minister of Finance, Mr Douglas, a community prepared to accept even the bleakest of budgets.

While some of that mood of consensus may have receded in the weeks since the summit, it was a key part of the "softening-up" process for the budget.

There has been a strong emphasis during the Gov-

ernment's first 100 days on foreign affairs issues including the closure of the South African consultate in Wellington, Anzus, and relations with Pacific Island nations

Mr Lange has made three trips abroad, the first two brief sorties for meetings in the Pacific, the third a fortnight-long tour to the United States, Britain, India, Singapore, New Caledonia and Vanuatu

But, having now introduced himself to most of the leaders of the main New Zealand trading purtners, Mr Lange will spend more time at home, working on domestic issues.

It is clear that economic matters will dominate the second 100 days of Mr Lange's Administration

While Mr Lange may have performed well in his first few months a-Prime Minister, the same cannot be said of all his cabinet colleagues.

Two of them, in particular, have been troutile prone — the Minister of Maori Affairs, Mr Wetere, and the Minister of Defence and Deputy Ministers.

let of Foreign Affairs, Mr. O.Flynn

A decision of Mr Writere to approve linguing of part of a state furest in being revolved after an uproar, which the Opposition shiffully expluited in Larliament

Mr Wetere has also had to deal with the embarrassing lack of funds for the Kohanga Reo programmie, an essue apparently bequeathed to him by the previous Government, but one which be should have seen comingnonetheless.

Mr O'Fixen embarrassed his colleagues and Mr Lange, with some injudictions comments in Parliament about the country's possible reaction to an invasion by an enemy.

Withstood Onslaught

Mr O'Flynn has also attracted political flak over his three-and-a-half-week trip to the European captals, one he was appurently urged to make by the Ministry of Foreign Affairs. In spite of interne presure, the Deputs Frime Minister, Mr Palmer, hawithstead an Opposition onshinght, rarely being caught offside.

He was apparently sovolved, however, in the debacle ever the scrapping of the public expenditure subcommittee investigation into devaluation

There have also been signs that ministerial thinking has not always run on parallel lines, and that communication between ministers has fallen down

A classic example was the about-turn the Minister of Energy, Mr Tizard had to make on the it. dun-petrol issue. One day he was opposed to it, the next he was agreeing with the Minister for the Environment, Mr Marshall that the lead content in petrol would be reduced.

Overall, however, Mr Lange has grounds for his own perception of his cabinet's performance during its first months. He views its performance "with an enormous sense of relief."

DEVALUATION IMPROVES OVERSEAS TRADE

Auckland THE NEW ZEALAND HERALD in English 18 Oct 84 p 6

[Article by John N. Hutchison]

[Text]

New Zealand's devaluation is thought to be contributing to some trade successes and some new categories of commerce in California.

In the list of New Zealand products for which business, either actual or prospective, is encouraging are fertiliser, fruit for jams, plastic trays for kiwifruit, horse covers and blankets, champagne bottles, wine, crispbreads and water crackers, yachts and flowers.

There is still some uncertainty on the part of importers depending upon New Zealand suppliers to provide funds for market development in the United States.

Devaluation makes United States dollar expenditures more costly, particularly if New Zealand export promotion tax incentives are unfavourably altered.

Big Berry Orders

The fertiliser, pelletised ammoniac urea from Petrochem, is being landed by the shipload at Stockton, a large river seaport inland from San Francisco Bay.

The annual value is estimated by the New Zealand commercial office

here at \$NZ10 million.

Smuckers, said to be the largest. United States manufacturer of jams and related fruit spreads, is reported to have placed orders for 450,000 kilograms of frozen berries, worth \$NZ1.8 million, from the Otaki district.

The company sent one of its executives to New Zealand earlier this year to establish procedures for central handling and quality control. Smuckers claims 30 per cent of the American market.

Plix Products, of Hastings, has entered the market here with initial orders for \$NZ200,000 in plastic trays for kiwifruit.

New Zealand Covers Company is understood to have achieved sales of horse covers after pursuing market information supplied by New Zealand trade offices.

The largest American maker of traditional bottle-fermented sparkling wine is negotiating with AHI for bottles. F. Korbel and Bros will produce 12 million bottles of champagne this year.

New Markets For Wine

All recently resumed its own sales operation here, after a period in which its business was handled through a large California firm.

Wine from New Zealand, as well as wine bottles, is finding new markets in California.

Penfolds wines, bearing the latel Chateau St Philippe, are being sold by direct mail by a California firm, Vintage Sellers, which also does business as the New Zealand Collection, selling sheepskin, woollen and other products by mail order catalogue.

The head of the firm, Mr Warren Kaufman, is in New Zealand now, consulting suppliers.

The company has a mailing list of 350,000, has already brought in several 650-case containers of wines, and expects to sell more than 7000 cases in its first year.

Aulsebrooks, of Auckland, introduced crispbreads about a year ago to "In some cases the recent devaluation will have assisted these companies, making their prices more competitive," he said.

He added, however, that with the New Zealand dollar worth less in the United States, promotional costs on this side of the water have advanced sharply.

He cited the direct mail catalogue for Vintage Sellers and its associated promotion of sheepskin and metalware products from New Zealand.

Incentives Are Important

"The costs involved when translated into New Zealand dollars are very substantial," Mr Gorton said "For this type of programme the existence of the promotional tax incenlives is most important.

"It now seems clear that the scheme will continue in some form, but companies are of course concerned as they conlinue to invest in longterm market development." the western United States and has enjoyed growing success in supermarkets and specialty shops in 11 states, according to Mr Wolfgang Steitz, importer and agent for the line

He is now awaiting the first shipment of water crackers, hoping to double the 1984 sales next year.

Safeway, the nation's largest supermarket chain, carries the crispbreads.

Substantial Sales

The New Zealand Honey Company has recently appointed an importer distributor in California. Fleur International reports substantial sales of flowers from New Zealand, principally proteas.

Two New Zealand yachts—Sea Nymph Farr 10.20s — have sold recently, and that market appears to be picking up, said Mr Chris Gorton, New Zealand's trade commissioner in San Francisco. He had some observations on trade.

GOVERNMENT REPORTS FOREIGN TRADE DEFICIT DROP

Auckland THE NEW ZEALAND HERALD in English 18 Oct 84 p 2

[Text]

Weilington

New Zealand's current account deficit with other countries fell by \$644 million in the year to March, 1984, according to provisional estimates produced by the Department of Statistics.

The value of exports of goods and services increased by 17.9 per cent. Imported goods and services rose by 7 per cent.

from \$1138 million to \$221 year to March. million, the Government The estimate of real GDP Statistician, Mr Stephen - removing the effects of Kuzmirich, said.

Net property and busi- - showed an increase of

the world increased by 31.2 our year. per cent from an estimated. The total amount paid to \$860 million to \$1128 employees rose by 1.0 per million. Net current trans- cent in 1983-84. fers from the rest of the million to \$113 million

transactions was to lessen profit before the deduction farmers was \$310 million. the current account deficit from \$1880 million to \$1236 million

New Zealand's gross domestic product - the The net effect of these value in current prices of changes was to cause a sub- all goods and services prostantial decrease to the duced in the domestic econdeficit on the balance of omy - is estimated to have trade in goods and services, risen by 6.8 per cent in the

the changing money values

The total amount paid to

world decreased from \$118 | 1983-84 show producers' operating surplus - about

ness payments to the rest of [27 per cent over the previ- of interest paid or the addition of interest received increased by 11.9 per cent.

Subsidies paid by central and local government fell The national accounts for by 4.8 per cent, from \$769 million to \$732 million. The contribution of supplement The net effect of these equal to producers' net any minimum payments to compared with \$392 million in 1982-83

EEC BUTTER DECISION PROMPTS CONCERN

Breach of International Agreements

Auckland THE NEW ZEALAND HERALD in English 18 Oct 84 p 2

[Text]

A decision by the European Community to sell cut-priced butter from its million-tonne stockpile was condemned by the Government yesterday as a flagrant breach of international agreements which could trigger a world trade war in butter and other commodities.

The Minister of Overveas test to European Community members against the dumping which he says and Trade could do immense damage to New Zeuland's export butter trade

A senior Trade and Inwill state New Zealand's case at a special meeting of maintained dairy producer countries expected to be held in Geneva next week.

Mr Moore will also consull other suppliers such as European Community's inthe United States, Canada and Australia who he be- Prevent lives will share New Zea-

The European plan provides for the sale of butter

Minimum

Purchasers would pay second 50,000 tonnes

The overall price of arrangement

about \$15850 a tonne would Trade, Mr Moore, will pro- be well below the \$U\$1200 minimum under the General Agreement on Tariffs

Mr Moore said the European Community had agreed as recently as late dustry Department official last month that the Gatt milmimum price should be

> "Now it appears they have caved in to pressure from traders for still cheaper butter from the tervention stocks," he said

The EEC decision also land's outrage at the directly contradicted asscheme disclosed yesterday surances given to him in at the European Commis-Brussels last month at a ston's headquarters in Brus-meeting attended by the chairman of the Dairy Board, Mr Jim Graham.

Mr Moore said he had in lots of 100,000 tonnes, asked officials to examine half of which would be 18- appropriate responses to month-old stock. going ahead

However, the Europeans the standard rate for 50,000 seemed determined to protonnes but be charged a ceed with the scheme. discounted price for the which could undermine the entire international dairy

Zealand could hope for latest move would be the would be to confine the Soviet Umon sales of cut-priced butter to the Soviet Union.

Trade War

sales to the Middle East and would you other markets would be Mr Graham predicted bound to damage New Zea- that the new butter plan land's interests and it could could cause a serious colalso have wider repercus tapse in butter export

"If this is a step that is going to be continued in \$400 million wheat and sugar, you have the makings of a trade placed the Gatt minimum war," he said.

While New Zealand jeopardy, he said. might fare better than some other countries in that situa- would involve a blatant tion, there would be no breach of the Community's

Gaff and "sensible" trade ment. arrangements was to prevent throut-cutting among \$400 million a year from international traders and to butter exports. promote a growth in trade.

the question whether the certain age, 18 month-old European Community butter is said to be still would follow up with cut- perfectly edite if it has price sugar, wine, beef and been correctly stored. wheat

Mr Moore said the only

It appeared the best New likely beneficiary of the

The Kremiin is full of good capitaints," he said. "They know what is sitting out there and they are play-A spreading of discount ing the market - and so

prices

The commission's plans export price agreement in

If it was not stopped it obligations as a member of The whole reason for the Gatt dairy arrange-

New Zealand earns about

Though some markets The butter plan raised will not accept butter over a

'Strong Protest' Urged

Auckland THE NEW ZEALAND HERALD in English 19 Oct 84 p 6

[Editorial: "Eurobutter Bother -- Again"]

[Text]

Given the precandus economic gymnastics the European Community performs each time it settles a yearly budget, it is not difficult to understand why the Community has decided to dump some surplus butter on world markets. That does not make the proposal to break the minimum price of the General Agreement on Tariffs and Trade any more internationally acceptable, or any easier for dairy trading countries, like New Zealand, to bear.

The Common Market has only itself to blame for its budgetary worries. In spite of repeated pleas from both inside and outside Europe, it has persisted with a ruinous policy of agricultural protection that has drained it financially and created huge farming surpluses.

Efforts early this year to shrink the mountains of produce by promoting vigorous export policies were thwarted by slack demand in the developing countries and record production at home. While the strength of the United States dollar and another disappointing Russian grain harvest will save the Community more than \$1 billion this year, the unbudgeted costs of surplus products - such as beef, dairy glods and wine - have soured recently. They have swallowed the saving on cereals and left the estimated 1984 budgetary deficit for the common agricultural policy where it was expected to be last May - unacceptably high.

The bloc's dilemma over dairy products is only part of the problem, but it is the most vexatious for New Zealand. Nothing can mask the fact that the decision to dispose of at least 50,000 tonnes of cheap butter to the Soviet Union and the Middle Fast is an irresponsible and arrogant breach of international trade agreements. It is also unlikely to do the Community much good.

Such cheap supplies will force other dairy exporters to lower their prices and thus do little to expand European butter sales. As the chairman of the New Zealand Dairy Board has said, the decision undermines attempts by this country to work with the EEC to stabilise and to rebuild export prices.

Wellington must lodge a strong protest in Brussels and at Gutt. If the Minister of Overseas Trade can summon support from other world exporters such as Canada, Australia and the United States, so much the better. Even restricting the sales of discounted butter to Russia alone would be better than nothing. Mr Moore is about to experience how ruthless the world of international trade can be. His first brush with the EEC promises to be tough, as his first intimations from it proved to be misleading.

IRIAN REFUGEES STRAIN NATIONAL RESOURCES

Christchurch THE PRESS in English 10 Nov 84 p 20

[Article by Kevin P. Clements, lecturer in sociology at the University of Canterbury]

[Text]

The question of lawlessness in Papua New Guinea has received considerable mindia attention within New Zealand since the New Realand High Commissioner was attacked on the Port Mireshy golf course and two New Zealanders and a nine year-old girl were gong

raped three weeks ago. The request from Prime Minister Somere for assistance with helping police Port Moresby or to advise on ways of effectively policing Port Moresby underlined the desperate nature of the internal security problem in Papua New Guinea It is clear that the Gos ernment in New Guinea is not in a position to guarantee anyone's

security
The Chief Justice, Sir Buru Kidu mentioned recently that he was worried about the safety of Supreme Court and District Court Judges and feared that they would come under so much personal pressure they would be unable to ulfil their judicial functions adequalely. Similarly the prisons are so understaffed and inadequate that even if the police do manage to catch an offender there is strong probability that they will be unable to retain a convicted per-son for the period of the sentence

Quite simply, within Papua New Gunea the police and judicial systems are proving inadequat-for the demands placed upon them by a reassertion of customers means of settling disputes. Rising unemployment levels and the corcentration of unemployed in areas like Port Moresby, and a recognition on the part of the rawas (for you'rful offenders, that they can offend with relative in punits have added to the demand-

While this problem has accumed a high profile because of recent events another move which has the potential for becoming even more disastrous relates to the Hillion refugees from Irsan Jaya the Indinesian part of Papua New Guinea, who are now grouped in a string of makeshift comps through out the Western Province of Popua New Guinea.

It is clear that there have atways been people who go back-wards and forwards across the border between Papua New Guinea and Irian Jaya. Many are from the same tribal and linguistic groups, and there has always been a certain amount of movement across rather artificial boundaries

The scale of recent population movements and the fact that all ages have been willing to put up with considerable hardship and some risk indicates that these people have a strong claim to be siewed as refugees rather than "border crossers" which is list term the Somare Government prefers to use

There is a clear conflict of opinion on this toour The Government, in particular Michael Somare and the Secretary of Foreign Affairs, Paulius Matane have adopted a very firm and inflexible position that these 11 000 people should not be regarded as refugees but an illegal border crossers and that they should be repairmed to Irian Java and the care of Indonesian authorities

Because of this position the Somare Government tried to pretend that the problem would disappear with the result that for mine' of 1983 at did mathing to look

lothe or house the refugees. The intention was to signal to the border crossers that they were not welcome in Papua New Guinea and should return to the other side of the border. This policy was determined by a Papua New Guinea deure not to offend the Indonesians, who have mulitary superiority in the region, and by a feeling that if conditions were inhospitable the border crossers would choose to return home

This policy of neglect resulted in at least 90 people dying of malnotrition and provoked a considerable amount of international concorn in Australia, Geneva at the United Nations and among international voluntary agencies. The result of this concern was that the Papuan Government decided to allow the United Nations to purchare food and basic supplies for distribution to the border regions

In the meantime, groups such as the Law Faculty of the University of Papua New Guinea pointed outthat if people chose to become refugees from their own country and seek sanctuary in another the receiving country could not force them to return as had happened on the border of Papua New Guinea in January, 1962 In particular, it was pointed out that this infringed the principle of reloutement which to the obligation on states not to return refugees to a country or ferritory where there is a probability that their life or liberty mught be endangered.

It was in response to these criticisms that Michael Somare a Government persisted with its definition of these people as burder property rather than refugees. The

key question therefore, is whether they would be subject to any threats to life or liberty by return-

ing to Irian Java

Conversations I have had with people who have just returned from the border areas within the last two weeks indicate that there is a reasonable probability that many of these refugees would be endangered by returning This is because there is a resistance struggle to the Indonesian rule in Irian Java spearheaded by Organisasi Papua Merdeka

OPM leaders had indicated armed offensives against Indonesian troops would be stepped up and requested civilians to move or of of the zones and Indonesian military authorities had adopted a rore oppressive policy towards illagers in border areas and were conducting selective raids, ass-assinating suspected O.P.M members and imprisoning others Both of these factors create sufficient anxiety to precipitate an arduous welk through mountainous territiry to the border camps in Westcan Province The conditions of the camps have improved a little since international attention was focused on the area at the beginning of this year but they remain very bad indeed

Dr Damien Wohlfart, Medical Superintendent of Port Moresby General Hospital, indicated in September that. "By far the major medical problem is acute starva-tion. Unlike normal community malnutrition which affects mainly young children, this has affected all age groups, but most severely

the very young and the elderly"
Mrs Jeanne Jelke, the Secretary General of the Papua New Guinea Red Cross Society, who returned from the border camps three weeks ago, stated "that while there had been some improvement in terms of food supplies, the whole situation is precarious Any one of a number of unpredictable factors could quickly affect the situation Since so many of the refugees are

still just recovering from near starvation, debilitating illness and general deprivations their current health status would deteriorate rapidly if there were a large number of new arrivals to the camps, panic or misunderstanding regarding border activities, per-sistent bad weather, administrative or staffing problems, com-munications and/or transport breakdowns and an outbreak of contagious disease."

The worst camp by far is the Komopkin camp, which is catering for over 2000 refugees and 160 local villagers. The logistical problems of supplying this camp are enormous and it is expanding rapidly each day. The food supplies are irregular and it is feared that if there was long term disruption to the supplies for this camp there would be extensive and rapid starvation and death

The other 11 camps are marginally better than Komopkin but also vulnerable to any minor disruptions in supply or adverse internal disruption. The fear is that, since the Papua New Guinea Govern-ment wishes to repatriate the refugees it is not committed to ensuring that the camps are well supplied. The Government has announced that it wishes repatriation to begin as soon as possible and preferably by the end of Novem-ber. The Medical Superintendent of Port Moresby General Hospital has indicated very clearly that the refugees need at least three months feeding in order to achieve basic strength levels and that repatriation would almost cer-tainly result in more deaths from starvation

Warren Dutton, the Papua New Guinea Member of Parliament for North Fly, the border region of Papua New Guinea, has urged the Government to be more humane in its policies and relocate these Melanesian refugees within or make it possible for them to stay permanently in the border areas. This position is not favoured by Government as it does not wish to arouse either local opposition to

resettlement within Papua New Guinea or Indonesian antagonism for harbouring persons who might be sympathetic to the O.P.M.

It is also under considerable pressure from the Australian Government not to do anything that will upset the strategic balance in the region In particular, there is concern that the Government not take action that will prompt Indonesian border crossing in search of publicly identified O.P.M. supporters.

What is very clear to all the agencies and individuals concerned about this region is that if there is substantial disruption to the shipment of food supplies into the western provinces this will probably precipitate widespread malnutrition and maybe even death of both the refugees and the local population The area is a border-line malnutrition area anyway. and the demands made upon local sago production, have nearly exhausted local supplies. Further strains might precipitate wide-spread starvation on Australia's and New Zealand's doorstep

Thus while there is a very parlous security, and law and order problems within Port Moresby and the Government cannot guarantee anyone's security with confidence, there is a much larger and potentially more lifethreatening situation looming on the border It demands concerted international action to ensure that those refugees who wish to remain in Papua New Guinea are allowed to do so, that those who wish to return might be able to without any threat to their lives or liberty and that there be a cessation of the Indonesian transmigration policy which is what is alarming most Melanesians living in Irian Jaya, who fear that their own identity will be wiped out under the impact of a majority Indonesian population

HARASSMENT FAVORS PIMENTEL'S POLITICAL CAREER

Makati MR. & MS. in English 2-8 Nov 84 pp 7-9

[Article by Belinda Olivares-Cunanan]

[Text]

AST Sunday some 15,000 angry residents of Cagayan de Oro took to the city streets in a five-hour indignation march and rally in sun and rain, to protest the recent ouster by the COMELEC of their lone representative to the Batasan, Aquilino "Nene" Pimentel, Jr., chairman of Pilipino Democratic Party-Lakas ng Bayan (PDP LABAN).

The hard hitting Mindanao Opposition leader was ordered ousted from the Batasan by the COMELEC's second division in an 89 page unanimous decision, allegedly because of tampering of ballots from 87 voting centers in the city in the last May elections. In Pimentel's place the poll body proclaimed KBL candidate Pedro N. "Oloy" Roa winner by a slim margin of only 1,530 votes.

What makes the Pimentel Roa case intriguing, however, are not the charges of fraud and tampering, or the fierce struggle for the ione seat of this southern city, but the far reaching implications of national significance beneath the controversy

Pimentel himself views the latest COMELEC move against him

as "part of the grand design of the Marcos dictatorship to silence the Opposition". To the 51-year-old leader, his wife Bing, 45, and his 75-year-old lawyer-father, Aquilino Sr., the latest "persecution" is "nothing new". For Pimentel, in a political career of about 14 years, has become the most frequently arrested political leader, and certainly one of the most harassed since martial law.

There are many questions that this fact triggers off. Why the continued persecution of Pimentel? Is President Marcos really afraid of him? Does he have reason to be?

PRESIDENTIAL BET

Part of the answer lies in the fact that Pimentel today is one of the Opposition's foremost stalwarts, frequently mentioned as the most probable bet of the Visayas-Mindanao bioc for the presidential election of 1987 - or sooner, in the event of an untimely presidential exit

To Cagayanos, unseating
Pimentel could mean possibly
missing out once again on the
chance to have a son of the Visayan

bloc at the helm of the nation — a privilege denied it since Carlos P. Garcia ascended accidentally to the presidency nearly 30 years ago. In the entire life of the republic there have been only six presidents, of whom only two have come from the Visayan bloc, namely. Presidents Manuel Roxas and Garcia, and three vice presidents, namely, Fernando Lopez, Carlos P. Garcia and Emmanuel Pelaez.

More specifically the turbulent island of Mindanao has failed to produce a president for the country. The closest that a son of Mindanao has ever come to making a grab for power was exactly 20 years ago this month, when Vice President Emmanuel Pelaez lost out by exactly 333 votes to Senate President Ferdinand Marcos at the Nacionalista Party convention at the old Manila Hotel in 1964.

LUCKY NENE

And now comes a faint glimmer of light on Mindanao's political horizon with the ascending star of Aquilino Pimentel. Cagayanos never tire of repeating a statement attributed to Ninoy Aquino in June 1981 in Boston, Massachusetts, wherein Ninoy was supposed to have said that "Nene is lucky. He is destined to succeed President Marcos." To many of his provincemates this is too good a chance to miss — but Marcos seems bent on thwarting that aspiration once again. Just like 20 years ago.

Against all these implications must be viewed the pre-proclamation protest of Oloy Roa, a self-styled multi-millionaire (logging, cattle, real estate, etc.) with a second-year high school education, against Nene Pimentel, former city executive and Con-Con delegate. Then what appears to be a series of harassing moves by

the COMELEC and the military against Pimentel may begin to make sense.

Many people are convinced that the latest COMELEC move to oust Pimentel from his Batasan seat after three months could not have been made by the poll body without the instigation of - or at least clearance from - Malacanang, Just as Cory Aguino reasoned out the day after the Agrava majority report came out that nothing that was ever done to Ninoy was without clearance from Malacanang, so too, Pimentel's followers believe that the pattern of political moves against Pimentel has had the hand of Malacanang behind it all

"This much I must say, there has never been a dull moment in all these years," he says with a wry smile.

He was thrice arrested, the first time in 1972 when as Con-Con delegate he denounced certain features of the new Constitution as "inimical to the people's interest"; the second in 1978 when he and other LABAN candidates took to the streets of Manila to denounce their wholesale defeat by fraudulent means; and last year, when he was implicated in a subversion case allegedly for having given P100 to an NPA commander. Pimentel was placed under detention in a military camp in Cebu for several months and then under house arrest in Cagayan de Oro: allowed to campaign for the assembly less than a month before election, he is technically still under arrest.

TURNCOAT?

In 1980, just two days before the local election, wherein he ran for Mayor of Cagayan de Oro under the banner of the Mindanao Alliance (which he helped to found,

together with Reuten Canoy and Homoboro Adaza The COMELEC sought to disquality Nene on the grounds that he was guilty of political turncoatism; he hastily brought the case to the Supreme Court and the order upholding his candidacy arrived photo-finish on election day. His opponent then, Pacquing Velez, allowed Nene to savor victory for a few days before filing another protest case before the COVIELEC to unseut him; again Nene brought his case to the Supreme Court which again upheld him and ordered tils programation.

in July 1981 while he was on an invitational four of the U.S., Nene was unseated by COMELEC.

Cagavanos demonstrated in the streets by the thousands, prompting Marcos to call a conference in Malacanang and reinstating Pimontel. Velez appealed the case to the Supreme Court which, however, has mothballed it since. When Pimentel won the election last May as assemblyman, Velez revived the mayoralty case. Should Pimentel be unseated in the flat asam the could find himself also stripped of his old mayoralty post.

THANK MARCOS

Astute political observers feel that Princetter & Fold not be weighed down by his political crosses, rather, he should thank Marcos for having treated him shabbily all these years. For it is a fact political persecution according but rather has boosted as political stock.

History bears this out. When Manuel Roxas, then Speaker of the Commonwealth House, was deposed at the instituation of the first President Manuel L. Quezon because of the former's Opposition

to the Quezon sponsored Hare-Hawes-Cutting Act, the controversy gave the Visayan politician national prominence; eventually it catapulted him to the presidency. Truly he had every right to say that he "fell from the Speaker's chair into the lap of the Filipino people".

Former Assemblyman Pelaez, erstwhile kingpin of Misamis Oriental, who supported Nene quietly last election, says halfbemusedly that "Marcos seems bent on inaking Nene a hero." Who was Nene Pimentel really, before Marcos first arrested him in 1972, people like to point out: As Nene's archrival in Misamis the colorful MP Homobono Adaza, puts it: "Marcos is Nene's greatest ally and friend." PDP LABAN assemblyman from Palawan Ramon Mitra, ever pragmatic, views Pimentel's political persecution as invaluable political capital for him.

REGIONAL COCOON

MP Antonio Cuenco of Cebu. PDP LABAN chairman for Central Visayas, who attended the rally in Cagavan, says that Opposition leaders in that region have signified their preference for Pimentel for '87. In Mindanao where Nene began his turbulent career and where he had a direct hand in forging two months ago the Mindanao Conference of all elected assemblymen from the island. Pimentel enjoys leadership and popularity. But whether he would gain acceptance in other areas of the country remains to be seen

In other words, can be finally shed off his regional pointical cocoon and emerge as a national leader, before he can be chosen the national leader?

Already at this stage, there are a number of presidential material who can promise to give the race for the '87 presidency the resulting the r

best. Among them: fellow PDP-LABAN colleague Ramon Mitra, who combines experience from the old Congress with enough diplomacy and keen political instincts to be in the forefront of the leadership of the new Batasan; Eva Estrada Kalaw, who is trying to harness her forte, organization, to achieve the difficult task of reuniting a badly shattered party and to capitalize on concretizing the female vote: UNIDO President Salvador Laurel. who is building up his provincial organization steadily (although Doy suffers tremendous disadvantage by being out of the Batasan and therefore out of the limelight), and Misamis MP Homobono Adaza, whose pronounced presitential ambitions so far outstrip both his Batasan achievements or his party's strength.

BUTZ AND CORY

Then there are the Aquinos:
Butz, who oozes with charisma and
has a broadening understanding of
the grassroots movements, but who
still has to prove that he is politi
cally old enough to be taken
seriously; and Cory, who seems to
have sharp political instincts but
behaves like a most rejuctant
candidate

PDP LABAN Metro Manila chairman Jaime Ferrer of Paranaque thinks that Pimentel will be a strong contender for the '87 elections. Ferrer maintains that Nene has a charisma reminiscent of Magsaysay, but has far more brains than The Guy. For Ferrer, what is needed is for Pimentel to mature some more and to lessen some of his hard-hitting stance. In addition, Pimentel critics feel he has lacked depth in many of his pronouncements, caused perhaps by a corresponding absence of real, solid home work

Pimentel's followers point out that whatever may be said about

his present lack of depth and industriousness, he does enjoy a good press and is a convincing speaker before civic groups; moreover, it cannot be denied that he is the only politician today who can get up on a militants' rally platform and not get booed. Doubtless his record of arrests and his consist ent oppositionist stance have helped to chasten him in their eyes.

PARTY GROWTH

But perhaps what gives Marcos—and rival Opposition groups more cause for worry is the growing strength of the party he chairs, PDP-LABAN. The party, which today has an assessed strength of 80,000 card bearing members all over the country, grows at an average of 3,000 to 5,000 members a month. It is also the first political party with a real ideology based on enlight ened nationalism, socialism and democratic collective leadership

Moreover the party is broad based and multi-sectoral, giving more room to the social classes hitherto left out by the more elitist, traditional parties, such as fishermen and farmers, labor and urban workers. In addition it is not activated only for election purposes but undergoes a continuing political consciousness develop ment among its members through seminars. Recently some 500 jeep ney drivers of Metro Manila, disgruntled at having been used by drivers' association leaders for so long, opted to join the party.

What attracts people of the lower classes to this party is the pluralistic approach to leadership at all levels and sectors, in contrast to the very elitist, concentrated leadership of the traditional political parties

Needless to say, to many people, the growth of the socialist-oriented PDP-LABAN particularly among the broad-based masses may provide a real, viable

option to the growing attraction of Marxism among the masses, because of PDP's espousal of a truly participatory and populist democracy. Of course it remains to be seen whether the concept of its visionaries will dovetail with the development and growth of the party along these lines.

As head of PDP-LABAN, therefore, Nene Pimentel may indeed give the man who would be tenant of Malacanang forever enough reasons to convert him into a political martyr through the intercession of the COMELEC. M M

LETTERS COMMEND COJUANGCO KIN'S ROLE IN RALLY Makati MR. & MS. in English 2-8 Nov 84 pp 2-4 [Excerpt]

Gutsy Tingting

I was very touched by the traumatic experience of Ms. Cojuangço and her AWARE (Alliance of Women Towards Action and Reconciliation) friends. Mariel Tolentino, Nars Lim, Guila Maramba, Ching Escaler, Dede Quiroz, Winnie Monsod, Betty Nelle, Phyllis Zaballero and KAAKBAY's Daphne Ceniza (Mr. & Ms., Oct. 12-18 issue). There was a lump in my throat and tears swelled my eyes as I pored over that part where Fidel Nemenzo, a UP student, was hit by a bullet at the back Thank God his condition was pronounced "stable" at "DMC (United Doctors' Medical Center). Literally, 1 followed Ms. Cojuangco's group in their desperate effort to flee from their blood thirsty pursuers. I can imagine the ordeal of many militant students who were either brutally manhandled or killed by the military. Oh, that our supposed protectors have to resort to wanton killing of their co-Filipinos, especially the young, helpless students, who are the prototypes of their own sons and kins, simply because they were carrying out orders of their officious superiors. I would not for my life be a soldier. This indiscriminate snapping out of inno cent lives can, to my mind, be attributed to our innate selfishness

If there is one person to be biamed for capitalizing on our weaknesses and reducing us to the state of utter help lessness, it is no other than Marcos

He has command responsibility. It might be, that to stay in power, he tolerates, if not orders, the use of force by the military to suppress all forms of dissent I said, might be, for I want to give the President the benefit of the doubt that it is the people around him who are making him very bad. Now, what makes him so numb and unruffled by the untold sufferings of his countrymen? Does he not keep himself abreast of every demonstration where the military intervenes? Who or what must be shutting him off from reality? Sometimes, I would like to believe what Mr. Soliven, my favorite fearless writer, says in his writing that Marcos is a Scourge sent upon us all to punish us for our misdeeds. If this is true, we have only one sure recourse - prayers. No one, much . less Marcos, can be above God. Those who claim to be undying or immortal shall be reduced to nothingness, and not even the vultures will feast on their carcass.

Going back to Ms. Cojuangco, I have all respect and admiration for people like her, who shun their elitist stations in life and brave the untoward incidents suffered by the parliamentarians of the streets. To me, she and her AWARE friends are living heroes. Since, according to her, she was writing down her experience for future researchers, may I suggest that she write into a book the life of all the student militants who have fallen prey to military abuses and brutality. This is not to discriminate

against the laborers, professionals. religious groups and other patriotic rally ists. To cover them all will be very taxing for Ms. Cojuangco. But she has access to her subjects, being part of them. Considering her station in life and her involvement with the militant movement to effect meaningful changes and put an end to "Marcos Overstaying Regime", there's no obstacle that can deter Ms. Cojuangeo from pursuing such a worthwhile undertaking. If done, she will not only be glorifying our young heroes, but she will also be doing for herself a very great honor for writing down for posterity in supreme sacrifices of the studently in their selfless efforts to rid this country of its social, political and economic ills

> Ms. AURORA V. LACERNA Western Philippine College

Batangas City

Thank God — you can dare (For Ms. Tingting Cojuangco)

by RONI TURQUEZA

From me — a prisoner
Of poverty, of joblessness
In this dilapidated hut
Along a storm-eroded road —
You are millions of pesos away.
Yet once in a while
As you descend from Forbes Park
And be among the marchers
In the streets
I see you within the ambit
Of my observant heart —
You are an angel come to share
Her precious time, to risk her wings
For innocents desiring to be free

On the fence beholding you

Whenever I leave my solitude Behind my bedroom door And go to where the fence Can let me view events I see you standing there Among nobles of the street

I see value regiant face— Outstan ling in the light Of the tearges candisters You seem so fragile as a rose Though as sweet and beautiful But then you never wilt at all

I see the spirit of the free
In every move you make
And in the faces by your side
I wish with all my heart I were —
Say, there as well but writers
Such as I should sit upon the fence

Ms. Cojuanaco, we have one thing in common. We're both victims of the distatorial and Tuta-litarian rule. Your memorable experience last Sept. 27, 1984 makes me admire you most. I would like to denounce and condemn the military in their dispersal of the rally in the strongest possible terms.

I had the same chilling experience Bullets and truncheons buried my determination and Ledication and I have ceased joining demos

During the Mendiola salvaging a year ago, the military brutally chased us. armed with M16 rifles, firing at us indiscriminately: I was then reviewing for my CPA board exam but I are not the rally anyway. A UP freshman student was hit at the knee during the encounter We carried him to the first aider group near UE. The firing started again. On hearing the order "run for your life" I run along C.M. Recto with another demons trator Before we reached Orleon Theater a man to my left was hit at the back and fell face down, blood spurting from the mouth. He was just a meter away from me, but unlike you, Ma'am. I did not have enough courage to help him. The military chased us with bullets fired haphazardly, I was afraid I might be hit too A news photographer on my like me didn't help but instead scampered to safety

This is the experience that holds in back from joining the parliament of the streets as in

Madam, your courage determination and dedication is what it is not be for a form the the case of N nov! Makes I sauce, and

ARTHUR E ANDREY

Your last issue revealed a lot of fatalities that happened on the last demonstration, especially the revelation of Ting ting Cojuangoo. It was an exceptionally good eye opener. I was filled with admiration for the lady's courage and self-determination. Hissoung an injured UP student is really something.

After that article was printed in your magazine, many claim credit for bringing Fidel Nemenzo to safety. Moreso, a radio staffer and others oppose Ms. Columboo staffer and others oppose Ms. Columboo declaration and claimed that credit is due them.

I heard both sides over a radio program. Why can't the concerned citizens stop the irrelevant issue? After all what matters now is that Fidel is safe.

S.G. CONDE Novaliches, Quezon City

I read with pity but with admiration the letter of Ms. Ting-ting Coluengco (Mr. & Ms., Oct. 12-18). I agree with Ms. Ting-ting Coluengco that, "the military is powerful because they have in their arsenals armalites, 38s. 45s. a variety of guns, shields, truncheons, teargas, protective masks, smoke grenades, detention centers, and government vehicles at their dispersal fill minus.

CSO: 4200/205

mediate arrests, salva in it in utilized walkie-talkie for sometry continued tions, airplanes, so on and so forth.

Courage, I surmise, comes easy with them — bacause of what they pursues.

But it a reality they are wear 3 = 3 afraid. They are afraid of voices that speak out the truth, they are afraid in face the truth and afraid of those who are willing to sacr firm and die. The Quezon Blvd rally was a viry clear example and proof that the military causes the eruption of riots.

MJDM

National Rd Limbac Pullar Bulacan

Not again

In the Oct. 14, 1984 issue of Veritas, page 14, there was a picture published of Constable Rogelio Moreno testifying before the Agrava Board.

Well, dear reader, what do you see?
Do you notice Moreno's right hand? Is it
Ninoy again? And this time, is he trying
to tell us a "message"? Could it be that
he is pointing to the hand that pulled
the trigger which caused his death?

EDON HERNANDEZ LOLA

Iraya, Gumobatan Albay

BUTZ AQUINO GROUP TO PARTICIPATE IN 1986 POLLS

Manila BULLETIN TODAY in English 10 Nov 84 pp 1, 12

[Text] Agapito "Butz" Aquino, younger brother of former Sen Benigno Aquino Jr, announced yesterday that his group will participate in the coming election.

Aquino, who advocated a boycott of the May 14 Batasang Pambansa elections, made the announcement at a rally held in the rain in Makati yesterday afternoon.

Aquino did not say, however, if he would be a candidate, saying "it is not important" because "what matters now is to restore democracy in this country."

Aquino told the demonstrators that there would be another rally on Friday Nov 16, at Liwasang Bonifacio in Manila starting at 1 p.m.

He said the demonstrators on Nov 16 will again march to Mendiola Bridge near Malacanang, adding that "we will hold a vigil" until they are allowed to occupy the bridge.

He said Nov 16 is the last day of a three-day conference of the Nationalist Alliance for Freedom, Justice, and Democracy which will be held at the Quezon City Sports Club.

Aquino also protested the violent dispersal of demonstrators also in Makati last week in which 12 marchers were injured and 13 others were arrested.

Mrs Cory Aquino, widow of the slain opposition leader, also spoke to criticize the Agrava fact-fining body for failure to pinpoint the "mastermind" of her husband's assassing the control of the slain opposition leader, also spoke to criticize the Agrava fact-fining body for failure to pinpoint the "mastermind" of her husband's assassing the control of the slain opposition leader, also spoke to criticize the Agrava fact-fining body for failure to pinpoint the "mastermind" of her husband's assassing the control of the slain opposition leader, also spoke to criticize the Agrava fact-fining body for failure to pinpoint the "mastermind" of her husband's assassing the control of the control of

Mrs Aquino invited the publi to join the birth anniversary celebration of her late husband on Nov 27 at the Quirino grandstand at the Rizal Park in Manila which will start with a 1 p.m. Mass.

Other speakers were Emanuel Soriano, former UP president; Ramon del Resario, president of the Asian Savings Bank, Alex Padilla, Relly German and Boy Jareza.

Col Jesus B. Samson, Makati police chief, said the rally was peaceful. He kept the anti-riot squad out of sight after Makati Mayor Nemesio Yabut granted a permit for the rally.

REPORTS ROUNDUP RECENT NPA-AFP CASUALTIES

Cagayan, Kalinga-Apayao, Davao

Monila BULLETIN TODAY in English 11 Nov 84 pp 1, 11

[Article by F.T. Flores]

[Text] Twenty-five persons were killed and several others were wounded in separate clashes between government troopers and suspected members of the New People's Army (NPA) over the weekend in Caganan, Davao and Kalinga-Apayao, reports reaching Camp Aguinaldo yesterday said.

Maj Gen Josephus Q. Ramas, Army commanding general, said in a report to Lt Gen Fidel V. Ramos, acting chief of staff of the Armed Forces, that ll NPA rebels, including three women, were slain by men of the 30th Infantry Battalion during a raid on a rebel hideout in sitio Tagulahi, barangay Taligaman, Bancasi, Agusan. Ramas' report based on a message from Col Miguel Sol, commander of the 2nd Brigade, 4th Infantry Division, did not identify the slain persons. Sol, however, said that they were members of the armed political and propaganda group of the NPA's Section 1 and 2, District 1 of Front 16 operating in the upper barangays of Butuan City up to the provincial boundary in Sibagat, Agusan del Sur.

In Cagayan, Brig Gen Alexander L. Felix, commander of Regional Unified Command II, said that four soldiers, three policemen, three militia men and three civilians on board a Kadiwa six-by-six truck were ambushed by 30 NPA men along the national road in Barangay Dunggan, Rizal, last Nov 9.

Felix said that five persons were killed and three others were wounded in the ambush. They were identified as CIC Celestino Manicad, Pat Cresencio Durwain, militia men Emilio Gannaban and Alberto Baloran and Mrs Agnes Villanueva.

Seriously wounded were Alejandro Blanquera, Modesto Catubag, and Leonardo Catubag, all members of the civilian home defense force (CHDF).

The ambushers escaped with two M-16 Armalite fifles, .38 caliber revolver and P30,000 cash from the soldiers, Felix said.

In Calings-Apayer last few 7, the PC-ISP petacement at Selicate, Baiselee, was attacked by SPA mon who killed the detailment commander, PC Sgt Creporio Cuban dans, and sounding PCcs. Martin Succession and Principles Demain.

Brig Com Djuminio Tan-Gatue, commander of PC-LNP Engloo XI, reported that in Armio Oriental 50 NPA men under "sumander Sails and Ramil raided sitio Cabico, on Podro, Caraga and discred five COD members in the barancar.

The name gratum on the name day disarred bution Lamitor, barancay captain of hemorem, Managag, Lapon, broad Driestal, of the alf modes that am and all caliber provider.

Tim-Citize also reported that police but being bons of the Dayne Metropofice. District Command (Metrodiscom) was shot dead on Berte Ave. Dayne Filts list Nov 2 by a suspect NYA sparrey only member.

Carifer, Tam-Capue said Soulmo Certifics of withe Naglangit, Schop, Davao der her was most most maste his home by an unimentified can believed to be a number of an NYA liquidation speed.

Six SPA results were killed after battlibs, Army rangers and military policemen. The prior might to the historisade of Mistaha and Browness Point, Palman.

A report to noting AFF chief of start Li Den Fidel V. Rabbs through AFP sittery police head Brig Den Pedro S. Asthaners identified the fatalities on "ka liveng," Jack Corpora Jr. John Scowling, "Manore" Nore, Alfredo Emeros, and puriate Master Clabbur."

Martin Commend intelligence scarces said the Alain retails were responsible the the series of smirgling me arrangements arrivities in the areas.

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BENEAU VISIALPPENES DAILY EXPENSE IN LIMITED 40 may be p. J.

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[Arms] Longwood, Softman Chiv-Tear tenders of the New Promit's Army were billed only avoid uthors were believed monded in an encounter by bids modeling actions arms moldlers and a bost of 35%s in barabery has Amstrin.

and the medical contraction of the last influence attacks of the tensor between the fourth and their first one a superior that the about attacks attacks to be the out of the contract that are produced in the programme of the few years.

Recovered from the scene of the encounter were two . I sal revelvers, one shotgun, and several subversive documents.

Sol said the rebels fled towards the direction of Sarino dol Sar with the army soldiers in hot pursuit, after a five-missis slaw at 5: 31 a.m.

Sol said the group, led by "Commander Tayling" of District 4 of the NPA's Front 8, was spotted by a routine arms patrol is baring a bar Soustin, and the firefight ensued.

The military identified Yayang as the one who led a group of about 200 in an attack on an advanced command post of the army's 28th Intentry Battalion last week in Lianga, Surigae del Sur. Fifteen arms soldiers, 12 civilians and 32 NPAs were killed in that raid.

Meanwhile, Lt Col Gregorio Civiling, communder of the 18th Infinitry Batallion reported that six more of the raiders were killed seriously and Thursday in a continuing pursuit of the NPA band that raided the arm care. This, he sali, brings to 38 the number of currillas silled in that attack.

KBL ASSEMBLYMAN SEEKS RELIEF OF CAGAYAN COMMANDER

Letter to Marcos

Manila BULLETIN TODAY in English 8 Nov 84 p 10

[Text]

Member of Parliament Orlando C. Dulay (KBL, Quirinosought yesterday the immediate relief of Brig. Gen. Tomas Manlongat Cagayan Valley Armed Forces regional commander

In a letter to President Marcos. Dulay charged Manlongat with

- 1. Alleged questionable acquisition of a ranch and coercive solicitation of cattle from ranchers
- 2 Illegal mainte nance and establishment of numerous checkpoints of patrol bases along national highways
- 3. Arrogant be-
- 4 Tolerating illegal gambling like justeng and monte

5 Failure to provide security for government projects in the region

Dulay, a retired PC colonel, also charged Manlongat with "incompetence," pointing out increased rebel activities in the region, increased number of casualties on the government side, capture of government firearms by rebels, and a higher crime rate

He alleged the local officials are not informed of military activities in their respective jurisdictions, resulting in misunderstanding and failure to attain peace and order goals.

Dulay reported in his statement to the press that Manlongat admitted during a recent Regional Development Council meeting at the Ministry of National Defense office that rebels

have inflicted equal or more casualties on government troops in 31 ambusendes, 13 raids, and 49 harassment cases.

According to Dulay. Manlongat had also admitted that rebels have captured high-powered firearms such as Armalites and other automatic weapons, while the military has captured only homemade firearms or "palitik"

The Quirino law-maker said Manlongat was responsible for the illegal search of a bishop's residence in the region. He claimed Manlongat was the ranking officer alluded to in a newspaper report as coercing ranchers in the region.

Dulay asked the President for the immediate filing of necessary charges against Manlongat

General Rebuts Charges

Quezon City ANG PAHAYAGANG MALAYA in English 9 Nov 84 p 8

[Text]

Brig. Gen. Tomas Manlengat, Constabulary Regional Command (Recom) 2 commander, yesterday denied the inefficiency charges lodged againt him by member of Parliament Orlando Dulay, who is seeking his ouster from the region.

In his letter of explanation to Defense Minister Juan Ponce Enrile, Manlongat said the allegations of Dulay were unfounded, motivated by a personal hatred after he (Manlongat) refused to accede to a request to allow "jueteng" in Quirino province. Manlongat had also filed a criminal complaint against Dulay for illegal gambling.

Manlongat said Dulay might have been angered when his men sued the Sonia Gonzales logging firm for illegal logging in the area a few months ago and for the dismantling by constabulary troopers of Dulay's checkpoint in Diffun, Quirino which were levying toll fees on cargo and passenger vehicles.

At the same time, Manlongat explained that the reported increased of casualties on the government side resulted from violation of security during the movement of troops from operations and the lack of small unit leadership in the rank and file but that this was already corrected by proper training of troops and the unit leaders.

Regarding his acquisition of the cattle ranch, Maniongat admitted having acquired a cattle ranch in Quezon, Isabela but claimed that it was a pasture of 270 hectares leased from the Ministry of Natural Resources (MNR).

KBL'S TOLENTINO STRESSES PRESS FREEDOM

Manila BULLETIN TODAY in English 1 Nov 84 pp 1, 9

[Text] Foreign Affairs Minister Arturo M. Tolentino said yesterday he would rather risk temporary economic inconvenience on the part of the public than sacrifice the fundamental right of freedom of the press.

"We should never sacrifice such a lasting principle as the freedom of the press which is guaranteed in the Bill of Rights of the Constituion," Tolentino told the 10th convention of the Publishers Association of the Philippines Inc. (PAPI).

He said some publishers may treat the matter on a case-to-case basis and not on the basis of policy, "but all things being equal, I would rather risk the temporary disadvantage of suffering on the economic side than sacrifice freedom of the press which is fundamental and not temporary."

Tolentino said he hoped publishers can make their decisions on such delicate matters freely and not under some kind of fear because freedom of the press "is something for which blood has been shed."

Tolentino challenged the publishers to join him in what he called his personal crusade and exert more pressure to bring about the repeal of Amendment 6, the constitutional provision giving the President decree-making powers.

He said that while he was in favor of the presidential power to issue decrees during national emergencies, it was not right for the President to wait for the Batasan to recess and then issue a number of decrees after two or three days.

Justice Minister Estelito P. Mendoza challenged the media yesterday to discover the truth and expose venalitied not only in the government but in all sectors of society.

But Mendoza also cautioned against false or inaccurate reports which deceive and mislead and do not serve the societal value of freedom of the press.

He said the value of press freedom to society is that "through it, society would have the benefit of information and ideas so that it may prudently form wise and correct judgment. "The value lies not in the correctness or wisdom of what is published but in the freedom to print and publish what sets in motion the free, full, and healthy development of ideas and opinions in society," Mendoza said.

CSO: 4200/205 89

TWO-WAY TRADE WITH JAPAN DROPS 20 PERCENT

Manila BULLETIN TODAY in English 1 Nov 84 p 11

[Text] Trade between the Philippines and Japan fell 20 percent from January to August this year as foreign exchange difficulties led to de facto import controls in the Philippines as well as production cutbacks arising from raw material shortages.

Official Japanese government statistics showed that as of August, two-day trade between the two countries reached only \$1.68 billion as against \$2.1 billion for the same period in 1983.

Philippine exports to Japan during the eight-month period rose marginally to only \$988 million from \$925 during a comparable period last year.

But imports dropped substantially, showing a 44 percent decline from \$1.22 billion last year to only \$694 million from January to August this year.

The sharp drop in imports led to a corresponding trade surplus of \$294 million as of August.

Business sources say however that the favorable trade balance picture is misleading because while it showed a decline in imports, exports practically remained flat.

Japan trade statistics showed that following breakdown of exports against imports from January to August: January--exports, \$117 million; (imports, \$74 million); February, \$110 million (\$82 million); March, \$113 million (\$115 million); April, \$137 million (\$88 million); May, \$137 million (\$127 million); June, \$120 million (\$115 million); July, \$130 million (\$113 million) and August \$123 million (\$129 million).

The same statistics showed that the Philippines had always incurred deficits in trade with Japan since 1976, except in 1980 when it reported a surplus of \$268 million.

The trade deficit peaked in 1978 at \$488 million, turned into a surplus in 1980 and occurred again in 1981 up to last year when it swelled to \$437 million.

TWO BMA COMMANDERS CAUGHT IN DAVAO ORIENTAL

Davao City PEOPLE'S DAILY FORUM in English 1 Nov 84 pp 1, 8

[Text] Two ranking members of the Bangsa Moro Army (BMA) were arrested the other day by constabulary elements of the San Ignacio patrol base at Sitio Casilayan, Barangay Maitum, Tarragona, Davao Oriental.

T/Sgt. Robinson Magtrayo and Primo dela Guardia, identified the alleged BMA members as Antonio Dellosa alias Commander Allan, 29, of Babak, Samal, Davao province and Victor Guma, alias Commander Vicvic, or Victor Quinones, 34, of Tandag, Surigao del Sur.

The two BMA suspects are under the umbrella of the Souther Philippines
Terrorist Group led by Ernesto Budta, alias Commander Lawin, reportedly
operating actively in the outskirts of Tarragona and Manay towns, all in
Davao Oriental.

The two BMA suspects were observed moving suspiciously in the vicinity of Sitio Casilayan by the constabulary elements who were conducting foot patrol.

Suspects were later brought to the 433rd PC company headquarters for tactical interrogations in connection with the BMA/MNLF operations in the province and neighboring provinces.

CATHOLIC BISHOPS' DECLARATION ON AGRAVA REPORTS

Davao City PEOPLE'S DAILY FORUM in English 1 Nov 84 pp 1, 7

[Text] We, the Catholic Bishops of the Philippines, address ourselves. first of all, to officialdom tasked with the pursuit of civil justice in connection with the recently released reports of the Agrava Board.

The Agrava Board was not a private instrument of any one person, entity, or administration. It was a servant of the nation specifically mandated to provide government the information needed to bring to justice all those who conspired and participated in the Aquino assassination.

The nation, for more than a year, eagerly expected the Agrava Board to help restore our faith in the government's capacity to render justice. The Agrava Board has released its findings. It points an accusing finger at those it has found culpable. It names names, some of them highly placed, although its members disagree as to the total number of names.

Whether or not the Agrava Board has named all the names that deserved to be named, our people do not see the job as completely done. The Board has no power to visit punishment upon those it has found culpable. Government does. And our people are watching to see whether our government has the required moral power to pursue its decisive action to its final conclusion.

We call on the President, therefore, the convenor of the Agrava Board, to carry on with unrelenting determination his directive to the Minister of Justice to take "all appropriate action on the Board's findings" and to be impartial no matter who should be found guilty. For the sake of restoring our respectability as a people, for the sake of preserving the life on the nation, and even for the sake of restoring honor to the military, no stone should be left unturned until justice shall have triumphed

And to our people, we say: For a long while now, we have talked of unity and reconciliation, of the healing process that leads to these much-hoped-for ends. As we allow the wheels of justice to take their course, we must now act with calm and sobriety, avoiding acts of violence that could destroy us as a people.

We need hope in these desperately hard times. We need to regain confidence in ourselves as a people. We need courage to move ahead in the direction that our renewed hope and confidence point us to.

May the God of justice and peace grace us all with the strength to ever walk, come what may, the way of His justice and peace.

NAJFD GENERAL SECRETARY ADDRESSES NEW ZEALAND CONFERENCE Auckland NEW ZEALAND TRIBUNE in English 29 Oct 84 p 7 [Text]

AFTER three centuries of Spanish colonial rule, 50 years of American occupation and 19 years of mis-rule by Ferdinand Marcos (12 under his outright dictatorship), the people of the Philippines, one of the richest countries in the Asian-Pacific region, suffer poverty, hunger and oppression.

Alex Padilla, the Secretary-General of the National Alliance for Justice, Freedom and Democracy, told this to the victory conference of the New Zealand Labour Party.

Eighty per cent of Filipino families live below the poverty threshold. Children of the poor are forced to drop out of school to earn a dangerous living on the streets. The few who can finish school become middle-level managers of foreign multinational corporations.

The government admits that it is impossible to live on less than \$8 a day, but the highest-paid workers earn a minimum daily wage of \$4.

More than 40% of the population is unemployed. Inflation is running at 52% and there has been no substantial increase in basic wages.

Less than one per cent of the total population controls 70% of the economy and the country's resources.

The foreign multinational corporations are well cared for As part of a package imposed by the International Monetary Fund and the World Bank foreign investors are allowed to take back to their own countries 100% of their earnings. They get priority for loans And for \$U\$75,000 they can buy Filipino citizenship.

The United States puts 80% of its total South East Asian investments there.

It gives \$900,000 million in military and economic aid to ensure the retention of the strategic military bases—Clark Air Base and Subic Naval Base—occupying over 100,000 acres and housing 15,000 American troops at any given time.

It is this foreign aid and support alone which props up the brutal Marcos dictatorship

The human rights record of the Philippines is a scandal throughout the world. From January to June of this year there have been 798 political arrests 85 disappearances and 108 'salvagings' Jextra-judicial executions by military and government agents. These are in addition to the usual torture massacre, rape arson and 'hamleting' [forced re-location of people similar to that used in Viet Naml.]

The National Alliance for lustice Freedom and Democracy is made up of organisations from all sectors of the Filipino people—teligious people, workers women teachers and students peasants professionals small business people. Their pro-

gramme aims to hasten the demise of the Marcos dictatorship so that a democratic coaltion government can be immediately out in place

It sees no justification for maintaining any form of military links with the Marcos regime, either directly or indirectly by using the American military base in the Philippines

It wants a nuclear-free Asia with the American bases dismantled

It also asks for a firm commitment that no New Zealand forces will ever be used in the Philippines, whatever the reason whatever the cause

Aid and trade must really cure the basic ills of their society not benefit multinational corporations or support the dictatorship it says

"Our own national liberation shall eventually come." Alex Padilla said in conclusion. "The Filipino neople have accepted the task to chart their own history and eventually we shall triumph for we know our cause to be just correct and moral."

OPPOSITION ECONOMIST REFUTES UNIVERSITY REPORT, DEFENDS MARCOS

Manila BULLETIN TODAY in English 7, 8 Nov 84

[Article by Hilarion M. Henares Jr]

[7 Nov 84 pp 7, 15]

[Text]

MYSTERY NOVEL

NO LESS THAN
JUSTICE Vicente
Abad Santoe himself endorsed the reading of
the "White Paper" report, "An Analysis of
the Philippine Economic
Crisis" by the U.P.
School of Economics.
Waxing ecstatic, a
cousin of mine said it
was an exciting as a
Mystery Novel, and he
couldn't put it down till
he finished reading it.

A Mystery Novel, of the genre developed by Agatha Christie and Ellery Queen, is as classically structured as a symphony or a ballet. First the author preconceives a crime; he predetermines the modus operandi and the identity of the guilty party. THEN he writes the novel. In writing the novel he weaves an intricate plot full of false clues, irrelevant subplots, and misdirection, primarily to deceive the reader and keep his in-terest, until VOILA, the guilty party is at last unmasked

My cousin was right. The U.P. Report is like a Mystery Novel. The guilty parties are predetermined: President Marcos, the First Lady and the so-called "cronies". And THEN an elaborate plot is contrived, full of cleverly devised statistics, false assumptions, irrelevant facts and misdirection. to point the finger of guilt on President Marcos, and to ascribe the credit for the solution to the IMF and the Technerrata

Being of the opposition, I am no defender of President Marcos. But it strains my sense of justice to see him being accused of a crime he didn't commit, at the instigation of the very people who committed the crime. It is as though the murderer of Ninoy were to accuse Butz of killing his own brother

MARCOS IS FRAMED President Marcos is being FRAMED, he is being set up as PATSY

by the IMF and the

Technocrats, with the active collaboration of the U.P. School of Economics funded by the Ford Foundation, and an economic research organization funded by the Multinationals and a German Neo-Fascist political party.

It may so that President Marcos and friends have overborrowed. overspent and wasted our resources, but these are at worst Aggravating Factors, not the real cause of the collapse of our economy. Even if these abuses did not exist, our economy is still bankrupt, we still spend more dollars than we earn, we still can not produce the basic needs of our people, our economy is still underdeveloped and overdependent on other countries And for this, we must blame IMF policies imposed upon us since 1962, and the abuses of American Monopolista

The President is a convenient FALL GUY, because the IMF and the Technocrats sense that his popularity is on the

wane The IMF reasons that now is the time to distance itself away from an unpopular regime, who may be guilty of so many other things that people would readily believe he is also guilty of bringing about the Economic Crisis.

Here is an excellent chance to hold captive the Philippine Economy forever, to reduce it to impotence and dependence for all time, to hand it over to the exploitation of Multinational and the Paris Club and blame someone else for the darlardly decd. And advance their own scenarios.

The Americans and the IMF are dreaming up scenarios promoting the presidential candidacies of either Cesar Virata or Rafael Salas, both "acceptable Internationalists", as an alternative to the Nationalistic Opposition.

FATAL OMISSION

Right from the beginning, the U.P. Report listed "all" possible causes of the economic crisis, and omitted the One Cause that many economists consider most important of all. The Report listed three possible causes: (1) external circumstances common to all developing countries, (2) mismanagement of the present regime, and (3) unforeseen random event such as the Aquino assassination

But a fourth possible cause was OMITTED and never discussed: (4) Policies imposed by the IMF since the 1962 Decontrol, the liberalized Tariff Code of 1973, the "Structural Adjustments" by the World Bank in 1979-1981; and the effects of 30 years of American monopoly in 14 fields of industry

This Omission is the result of either Blind Ignorance, Incredible Stupidity, or Intellectual Dishonesty. IMF policies and American Monopoly are precisely the central issue between Nationalists and those who profess to be "citizens of the world" and friends of the Multinationals. It is the only issue to which all contending economists agree to disagree. And U.P. School of Economics IGNORES it" The Report evades the issue. avoids it, and the reasons are obvious to one who reads the U.P. Report.

WRONG PERSPEC-

Right from the beginning, the U.P. Report treated the Debt Problem as THE ECONO-MIC Crims itself. The Report looked at the problem from the pers-pective of the IMF. World Bank and the Western bankers.. Its main concern is how to antisfy the Creditors. rather than how to set up an economy that will satisfy the needs and aspirations of the Filipino people. The whole thrust of the Report is how to recover the confidence of Foreigners rather than how to rescue the Filipino people from perpetual poverty and economic servitude

The Debt Problem is only a symptom of the What the Disease. Aguino Assassination did was to scare off the Short Term Speculative Capital which our Technocrats used to window dress an already Bankrupt Economy. If the IMF approves our loan, the Debt Problem will be solved, but the Bankrupt Economy will remain and will get worse.

The problem that the U.P Report should have addressed itself to,

should be: WHY do we have a permanent DE-FICIT in our Trade Balance. WHY can we NEVER pay for our imports, mush less service our debts? WHY do we DEPEND so much on imports for our basic needs, not only for growth but even for our very survival? What is wrong with our economy is that since 1962, we spend more dollars than we earn, we are too dependent on outside sources for our basic needs, and we are still basically agricultural and underdeveloped

WRONG APPROACH

Right from the beginning, the general approach of the U.P. Report is of doubtful logic It asks the questions Why is it that among all the nations in our part of the world, the Philippines is the only one with the lowest growth rate and THE Debt Problem? What is the difference between our situation and our Asian neighbors? THEN it come to a very dubious conclusion: THE Difference is THE Reason why we have the lowest growth rate and THE Debt problem. Reduce that to a syllogism and see how defective it is in Logic

Now think carefully. If two twin-brothers were identical except that one has a mole on his nose and the other has not, if both had pneumonia but one died is it logical to conclude that the cause of death is the presence or absence of a mole on the nose? Wouldn't it just be possible that one twin brother had just less resistance and more pneumonia germa than the other? Think about

Having spelled out its methodology, the U.P. Report now proceeds

with its proof, and FAILS to prove any thing. It accumulates a mountain of data that are irrelevant, diffuse and incoherent. It bases its study on false assumptions and facts of doubtful authenticity And comes to the startling conclusion that the Causes of our Economic Crasis are: (1) an authoritarian political system (Marcos dictatorship) (2) government mandated monopolies (crony capitalism), and (3) government intervention in the market tariffs, etc.) ILLOGICAL CONCLU-SIONS

Very little in that mountain of data presented ever contributes substantially to these conclusions. Nor do these conclusions follow the logic of the Report's methodology.

Certainly it is obvious to all but the blind and retarded that Korea and Taiwan with which the Philippines is being unfavorably compared. also have authoritarian regimes, mandated monopolies, and market intervention. Over there opposition leaders are imprisoned and exiled Over there financial scandals involve close friends and relatives of the powers that be Over there are Import and Exchange Control the likes of which we haven't seen since the 1950a.

The U.P. Report says that South Korea avoided the Debt Problem because it has more efficient labor intensive export industries than the Philippines, but this is only part of the truth The Report deliberately withholds the vital information that South Korea, as well an Taiwan, are INDUS-TRIALIZED Each has a solid base of heavy industries consciously

cultivated by keeping out foreign advice and competition. This industrial structure enables South Kores and Taiwan to produce and export machineries, engines, industrial factories, ships, computers, steel and industrial products. And this enables them to maintain a healthy trade surplus.

On the other hand, the Philippines under the influence of the IMF since 1962, has stagnated and continues to have an economy that is AGRICULTURE based. Hence our exports are low priced agricultural and semi-processed commodities, such as sugar, copra, coconut oil, fruita, garments, handicraft, footwear, and the cheap labor of maids and laborers. Such anemic exports force us into an almost permanent trade deficit.

NO SURRENDER

The U.P. Report does not report the chief difference between our two industrialized neighbors and the Philippines. Unlike the PHILIPPINES. South Korea and Taiwan NEVER submitted to the guidance and judgment of the IMF and World Bank. They never were forced to set up an "export oriented Agriculture based economy" as the Philippines was since 1962, nor forced to liberalize their tariff in 1973, nor submitted to Structural Adjustments" in 1979-81.

They never surrendered their domestic market to foreign imports or to the operations of the Multinationals. Go to Taiwan and South Korea, and you will be hard put to find Colgate tooth paste, or Camay Soap, or Camel cigarettes. In Taiwan and South Korea, you do not see Prime Ministers

kow-tow to the lowest functionaries of the IMF/WB You do not see Americans with the manners and mentality of hillibillies strutting around in exclusive clubs like they own the country.

Nor does Taiwan and Korea ever allow the IMF/WB to do away with their system of import priorities, as we did. The U.P. professors had they been more open-minded and diligent in their search for significant statistics, would have found that:

From 1970 to 1982, a 12-year period leading to the crasis, IMF/WB policies allowed the importation of banned items (classified UI) to the extent of \$4.3 billion, and of unnecessary items (classified NEC) to the extent of \$9.3 billion or a total of \$12.6 billion UNNECESSARY IMPORTS!

During the same period, from 1970 to 1982, we incurred a CUMULATIVE TRADE DEFICIT of about the same amount, \$12.9 billion!

During the same period, our external debt increased from \$956.3 million to \$13 billion, an INCREASE IN EXTERNAL DEBT of \$12 billion!

It would easen if we regard our eachange resources as Fund and Flow, that under Bd7/
WB policy, we indulged in unaccessary imports of \$12.6 B, as a result of which we incurred a trute deficit of the same amount \$12.9 B, and paid for our stupidity by sorrowing the same amount \$12 Bm

DEFECT IN CON-

To summarise, the U.P. Report "An Analyais of the Philippine Economic Crisis" is defective in concept and aloppy in performance

(1) It displays an appalling ignorance of the history of the Philippine Economy and its relevance to our precent Crisia. It turns a Blind Eye on the role of the World Bank and the DIF in the formation of our economy since the Decentral of 1962, the liberalised Tariff Code of 1973, and the Structural Adjustments by the World Bank from 1979 to 1981. While deploring a 5-year old Coconut Monopoly, it totally ignores the more dangerous 30-year American Monopolies in 14 vital industrial Selds.

(2) It proceeds from the Wrong Perspective. It treats the Crisis as a Debt Problem rather than the consequence of an Overdependent and Underdeveloped Economy. It proceeds from the viewpoint of IMF and Bank creditors rather than from the viewpoint of a suffering disadvantaged people. Its concern is how to pay the Debt rather than how to give employment and hope to the Filipinos.

(3) It uses the wrong approach and methodology based on dubious Statistical Probability: "the DIFFERENCES between the Philippines and its more successful Asian neighbors are THE REASONS why the Philippines lags behind." It is just like those Scare Studies that statistically conclude that people who drink carbonated drinks are likely to have cancer of the left cyclid Ang labo.

(4) It accumulates a plethora of irrelevant data that do not prove anything, a mountain of confusing figures that add up to one garbage heap, to impress, to intimidate, to obfuscate, but not really to enlighten.

(5) Above all its conclusions and recommendations are not even logically arrived at. The reasons it cites for our Crisis - Dictasorship, Monopolies, Controls - exist also in the most successful economies of South Korea and Taiwan Its recommendations - abolition of protective tariffs. floating rate and openended devaluation, and non-interference in the market mechanism are exactly what South Korea and Taiwun DO NOT DO, for that matter not even Japan which has one of the most cuntrolled economiss in the world.

IMP IS HERO

It seems abvious that the whole U.P. Report was written to back up the demands of the IMF for a FREE TRADE rugimen in the Philippines. Carefully orchestrated with the pontifications of Bernie Villegus and his Center for Research & Communications (CRC) with their Bad English and Wrong Math for the policies that led to the Debt Problem and Economic Crisis.

These are the policies that stem from DdP conditionally imposed when it granted \$300 million Stabilization Loan to the Philippines at the time of Decontrol in 1982, culminating in the liberalized Tarriff Code of January 1, 1973, right after Martial Law. These were reinforced by the "Structural Adjustment Loans" by which the World Bank set the economic policies in 1979 to 1981.

What policies? Since 1962 and again in 1979-81, the government has always given the highest priority to "Export Oriented. Agriculture based, Small Scale, Labor Intensive, Regionally Dispersed" industries. In the International Division of Labor, the IMF assigns to us the most menial tasks.

Foreign Investments were given the greatest encouragement and given unlimited access

19 Nov 84 p 71

[Text]

to domestic credit. American monopoliss in 14 fields (rubber tires, aluminum, petroleum, drugs, detergents, dentrifice, copper wires, dry batteries, pineapple, electric bilbs, cigarette brands, junk food brands, milk, ketchup) were allowed to import their materials instead of developing local materials as promised. And not checks on the abuses of transfer pricing were ever made.

Panks were forced to

take in foreign partners and urged to merge and concentrate financial power under the Unibank concept. At the same time, the government was enjoined to raise interest rates to Capital Scarcity, dismantle the protective tariff structure and do away with the Central Bank system of Import Priorities. These are policies designed to keep our economy underdeveloped and overdependent on the industrialized nations.

MARCOS IS VILLAIN

At the same time the U.P. Report was CONTRIVED to put the blame on President Marcos, the First Lady and the cronies . . for being too au-thoritarian, for the coconut and ougar monopolies, for the abuses of Crony Capitalists, for the waste and extravagance of the Cultural Center complex and the multiplicity of Hotels, for inefficiency and useles ness of the First Ledy's ministry and projects. All these accusations are made without proof that they are the root causes of the Economic Crisis. The worst that can be said is that they are "Aggravating Factors," but the real causes of the crisis are avidently the policies imposed by the IMF to achieve an Export Oriented Import Dependent Economy.

But worst of all are the blatant hypocrisy with which the Report proscribes the Cocenut and Sugar Monopolies, without even mentsoning the more condemnable 30 year old American Monopolies in 14 vital industrial fields... the cruel cynicism with which the Report then prescribes as cure the very same DMF policies that are the cause of the Debt Problem and the collapse of our Economy... and the addictic glee and schadenfreude with which its authors predict a "shaking out" of the economy, continuous hankruptcies, massive unemployment, and open-ended devaluations that are still in store for the Filipino people.

AUDITORS NOT PLANNERS

There are many valid conclusions that may be derived from the U.P. Report and the CRC Pontifications.

First Conclusion is that trained Economists Statisticians may not make good Economic Policy Makers. Trained economists tend to set themselves up as accountants and auditors of the National Economy. They marshal statistics, computations and projections to keep score on the progress of the Economy, sometimes with a touch of madness and hubris, rendering Judgment like God Almighty. Now every company President will confirm the fact that suditors and accountants are not equipped to render judgment on or to formulate Company Policy. They are paid to be Scoreksepers, not Judges or Umpires.

or Umpires.

Trained Economista/Statisticians are usually lost in a forest of figures and "mathematical models," and can not seem to relate the Economy to the people and their aspirations. That is why Professor Randolph David of the U.P. Department of Social Sciences has a better grasp of Economic Policy than most of the professors of the U.P. School of Economic Policy than most of the professors of the U.P. School of Economic Policy than most of the professors of the U.P. School of Economic Policy than most of the professors of the U.P. School of Economic Policy than most of the professors of the U.P. School of Economic Policy than most of the professors of the U.P. School of Economic Policy than most of the professors of the U.P. School of Economic Policy than most of the professors of the U.P. School of Economic Policy than most of the professors of the U.P. School of Economic Policy than the professors of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy than the professor of the U.P. School of Economic Policy the Policy than the professor of the U.P. School of Economic Policy the Policy than the Policy than the Policy than the Policy than the Policy the Policy the Policy the Policy than the Po

What economist Prof. Winnie Monaod sees as an inefficient industry that should be extirpated without mercy from the face of the earth,

social scientist Prof. Randy David sees as an industry with workers

that may otherwise be unemployed, producing goods that may otherwise be unavailable to the people. He sees an industry struggling along without infrastructures, market mechanisms and financial intermediaries that make for business efficiency in more developed nations. Yet he sees a potential that will in time promote the Self Reliance of the Filipino people.

PLANNERS NOT ECONOMISTS

Not being a trained economist, Randy David can synthesize the principles of Economics with what Thomas Mann calls "The Patriotism of Humanity," with the hopes and aspirations of the Filipino people. That is why the best economic thinkers and planners in U.P. are not in the School of Economics, but in the Dept. of Political Science, of Law, of Social Sciences and in the U.P. Law Center, among professors imbued with some sense of humanity.

And that is why the greatest Economists are not trained economists. Adam Smith was a divinity student. David Ricardo was a stockbroker. John Maynard Keynes was a Mathematician. Karl Gunnar Myrdal who formulated the Theory of Cumulative Causation, is a lawyer and

cabinet minister. Here in the Philippines, Virata, Ongpin and Jobo Fernandez are Business Administration graduates. The articulate David Sycip and ex-**NEC Chairman Felimon Rodrigues** are engineers. The late CB Governor Miguel Cuaderno and Economic Coordinator Salvador Araneta were lawyers. The late CB Governor Gregorio Licaros was a lawyer/accoun-cant, ex-NEC Chairman Jose Locain was doctor of medicine, and the irrepressible Alfredo Montelibano, also ex-NEC Chairman, boasts that all he had was a high school diploma. All of them shaped our economy, and most got their doctorates in Economics, "honoris causa," for highly honored accomplishments. And so it goes.

WITHOUT UMBILICAL CORD

My Second Conclusion is that Don Claro M. Recto was wrong when he said 30 years ago that a new Nationalistic Generation will rise to make this nation truly great... a generation born without an umbilical cord to the colonial past, a generation that will never have known what it is to be under a foreign master.

What Don Claro did not anticipate was that Mother America was already giving birth to the New Filipino. Through travel grants, scholarships and fellowships, young Filipinos were being entired to go to the United States to gain an "inter-national viewpoint," to accumulate an impressive bio-data, and eventually to secure a good position in Big Business, in the University and in the Government. Multinational companies under pressure from Nationalists, were upgrading talented Filipinos into management positions, and found to their surprise that these Filipinos became their greatest champions.

THE NEW FILIPINO

The New Filipino is clearly following a different star. He no longer believes in the Filipino Nation, he believes in One World and the Global Village. He no longer considers himself a Filipino, he is now a Citizen of the World. He refuses to promote, defend and protect the interests of Filipinos against the interests of other foreigners, even if he is in the payroll of the Philippine Government. He considers himself like God sitting in Judgment, an impartial arbiter between the Filipino and the foreigner. The sonama gun is not on our team, he is the darn referee.

The heroes of the New Filipino are the Filipino presidents of Multinational companies: Ike Joaquin of ITT, Joe Facundo of Cititrust, Bobby Romulo of 1BM, Ceser Buenaventura of Shell. His Patron Saints are the Technocrats in power who are of the same breed: Virata. Ongpin, Valdepeñas. His ultimate goal is to work abroad, like Deputy Director General Rafael Salas of the United Nations, and the many Filipino satraps of IMF/WB, with their high tax-free salaries in non devaluable dollars.

For the New Filipino, a professorship, a consultancy, and a top government position are just steppingstones on the way to the Ultimate Goal—to work for a Multinational Corporation or an International Organization. And all their actions and actuations are geared toward kow-towing to Foreigners whose favor they must eventually need. And so it goes.

TOO MANY COOKS

And the Third Conclusion I derive from the U.P. Report is this: No one can not make heads or tails of anything that is created by a committee. Too many cooks just spoil the broth.

The story goes that God once authorized a committee of heavenly acientists to design a New Creature that can run like a horse, carry a man, and fly like a bird. They only succeeded in creating the Ostrich, a creature that runs slower than a horse, cannot carry a man, is a bird but cannot fly. God told them to try again and they came up with the Dodo bird, which was so useless it became extinct.

You ask me what I think of the Report of the U.P. School of Economics on "An Analysis of the Philippine Economic Crisis"? To be frank, it is an opuscule of pompous pretensions, of flatulent garrulity and jejune babblement, of polysyllabic profundity, setaceous vacuity and grandiloquent vapidity.

It is in short a DODO.

And so it goes.

'VIRTUALLY ALL' KALINGA-APAYAO HOUSEHOLDS BELOW POVERTY

Quezon City ANG PAHAYAGANG MALAYA in English 9 Nov 84 p 3

[Text]

TABUK, Kalinga-Apayao (DI PTHnews) - A government survey of household incomes in this upland North Luzon province found that all residents are virtually living below the poverty line.

About 63 per cent of households have an annual average income of only P7.535, according to the Mountain State Agricultural College (MSAC) which conducted the study.

MSAC added that 24 per cent of the households pull in P9.614 also on the per annum basis and only 7 per cent manage P10,131. The remainder of the households have no steady source of income.

The poverty line in the country is presently estimated at the P2,000-P2,500 level. It means that a family of four or five must earn such an amount monthly to be able to afford costs of decent meals, shelter, clothing and other basic necessities.

Dismal socio-economic situation of the province is traced by the survey to a mix of dogged adherence to tribal practices and death of development projects on the part of both the national and provincial governments.

Residents of the province belong to the national minority known as Igorots. Provincial population as of the 1980 census counted at 185,063. The provincial territory measures 7,047.6 square meters of uplands. Kalinga Apayao belongs to Region II or the Cagayan Valley area of North Luzon.

I indings of the MSAC study added more details to previous government studies which identified the province as one of the economically depressed areas of the country.

The survey was taken by MSAC in relation to one of its regular functions: — periodic soundings of the socio-economic situation in the North Luzon upland provinces. MSAC is based in La Trinidad, Benguet, and has the mission of helping spark development in the highlands.

Undertaken by a team led by Carlos T. Bussen, MSAC professor, the study found that majority of household heads in the province are marginal farmers.

Classifying such family heads as self-employed, Buasen said they are engaged in subsistence crop production, back-yard livestock and poultry raising on the mini-scale, and hiring out as farmhands whenever they come across such opportunities.

The marginal farming families make up the majority of the provincial population, Buasen pointed out.

Households with average annual income of P9,614 derive such an earning from employment in the private sector. The family heads work as laborers in mines and quarries, construction projects, and the transportation and other services sector.

In the case of families with the highest average income of P10,131 per annum, Buasen said they are government employes such as teachers, policemen, soldiers, municipal and provincial office personnel.

BRIEFING PAPER REVIEWS DATA ON MANILA POVERTY

Manila PHILIPPINES DAILY EXPRESS in English 8 Nov 84 p 5

[Text]

MANILA is a poor man's city. Despite higher incomes, in comparison to rural areas, substantial poverty and deprivation exist within the urban area. About 30 percent live below the minimum subsistence level so that the poor of Metro Manila constitute the largest single concentration of poverty in the Philippines."

The quotation is from a briefing paper on the prevailing housing situation in Metro Manila and the rest of the Philippines. It was one of 10 country papers discussed during a meeting of human settlement experts held recently in Bangkok.

Sponsored by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the experts reviewed the urban housing situation in the region and found that it had grown worse compared to a decade ago.

The experts specially noted rapid proliferation of slums and squatter colonies and inability of most governments to meet decent housing demands of their income city residents.

Other country papers taken up were those of Fiji, India, Indonesia. Malaysia, Nepal, Singapore, South Korea, Sri Lanka and Thailand. The experts reported that except for Singapore and South Korea, the urban housing situation in the eight other nations has reached the acute stage.

The findings triggered an appeal from LSCAP Executive Secretary S.A.M.S. Kibria to member governments of the UN regional body to work out urban land use policies and programs that would provide meaningful assistance to their homeless urban poor.

He called attention to FSCAP studies which project that by year 2000, which is just a decade and a half away, more than 60 percent of the region's urban population will be residing in slums and illegal human settlements.

For their part, the experts urged governments to give priority to the sites and services approach rather than subsidized public housing schemes in easing housing problems of the urban poor.

The experts said such an approach has been proven as the better solution. They added that most subsidized housing programs for the urban poor ended up as failures and sheer waste of scarce public revenues.

The paper on the Philippine situation estimated the housing shortage at between 1 and 3 million units with annual need in the range of 270,000-400,000 units and that from a third to one half of such units are needed in Metro Manila.

"Overall, while the Philippine population increases annually by 3 percent and new households by 2.79 percent, Manila's population increases by 4.57 percent and the

enty's low-income families by perhaps 12 percent. Yet the member of dwelling units increases by only 2.37 percent. Add to the population increment the other causes of the housing gap migration, natural calamities such as fire, earthquake and flood and the need to replace the dilapidated units and one sees a widening gap and a deteriorating situation," the paper said.

It stressed that while the Philippine housing problem "is severe in absolute terms, it is primarily felt by the low-income families" who comprise the majority of Metro Manila's population which counted at 5.92 million as of the 1980 census.

The paper further reported that median family income in Metro Manila is about P600 monthly and that the lower 70 percent of Households receive only 31 percent of the city's total income.

The paper cited a 1972 estimate that 1.8 million Metro Manilans "lived in substandard structures on unserviced lots with a very low level of environment sanitation."

It added that today, only about 12 percent of Metro Manila households can afford open-market housing and that this narrow market is serviced by 3,000 private construction firms whose typical product is affordable only to the very rich.

The years of neglect in providing the Philippine urban poor with decent housing opportunities compelled the government to recognize "enormity of the problem" in its 1978-1983 five-year development plan, the paper said

Government acknowledgement was made through this statement in the plan:

"The shortage of adequate housing is an urgent problem of the country today. Some factors which combine to aggravate the situation are: low average income, prohibitive land, building materials and construction costs due to high

construction standards and land speculation, shortage of credit for low-income families and private and public sectors' limited success in low-cost housing. Thus, the magnitude of the housing problem has grown into such proportions that resolute and organized mass housing development for the pext decade is imperative."

The paper said that the Philippine government has made some positive moves in solving the country's urban housing shortage by using its human settlements ministry as the lead agency.

However, it said that whatever successes were achieved constituted only a dent on the problem which has progressively worsened and is projected to continue deteriorating in the face of the present deep economic crisis being suffered by the country.

The paper broadly indicated that there is an urgent need to approach the urban housing problem in the Philippines with a fresh perspective on part of policy-makers concerned.

It explained that the "greatest single determinant of housing cost is land" and that in the Philippine urban setting, "costs proportionate to the median income family's capacity to pay should be pegged at about P40 per square meter and a 140-square meter homesite should cost about P6,000."

But such is not the reality in Metro Manila. The paper noted that even on the urban periphery, the cost per square meter is "way beyond reach of families belonging to the median income.

The paper said a recent World Bank study which compared fand values at the urban periphery to per capita. Gross National Product (GNP) "showed the Philippine situation to be the most incongruous of all. While other countries offered 100 sq.m. homesites at less than one year's per capita GNP or even half that amount, land for homesites in the Philippines was estimated at 246 percent of percapita GNP." (DEPTHnews)

JOINT COMMITTEE BREAKS WITHOUT INCREASING TRADE WITH JAPAN

Manila BULLETIN TODAY in English 10 Nov 84 p 17

[Text]

The Japanese business community raised three major impediments to the two-way trade between Japan and the Philippines as the eleventh annual meeting of the Philippines and Japan National Committee for Economic Cooperation ended yesterday.

David Sycip, chairman of the meeting, said the Japanese private sector identified these problems as acute foreign exchange supply, high interest rates, and the rising peso cost.

A communique was also issued raising suggestions on how to promote increased trade between the two countries and investments in the Philippines.

Sycip said the con-

cern of the Japanese business community is also the same issue raised by other business enterprises

He said that insofar as the foreign exchange crisis is concerned, the Japanese business community has been briefed on the status of the current problem now the object of negotiations by local monetary officials.

Central Bank Governor Jose B. Fernandez told the meeting that the current negotiations on debt problems are expected to be concluded by the end of the year while the reestablishment of trade financing facilities could be expected early next year.

On prohibitive interest rates, the Philippine sector told its counterpart that the problem "should be a temporary condition and that interest rates are expected to be lower when inflation is contained."

Sycip also said that as far as the rising peso cost is concerned, the real cost in constant pesos or dollars has not really risen very much.

The Japanese businessmen were also assured that the problem, in any case, would be resolved as soon as the government is able to lower inflation rates.

Countertrade employing Philippine pesos as the medium of exchange, instead of the usual US dollars, was cited as a way of overcoming current constraints on Philippine imports while at the same time promoting exports.

MILITARY REPORT ANALYZES NEAR CAPTURE OF ARMY CAMP

Manila BULLETIN TODAY in English 10 Nov 84 p 8

[Text]

Poor intelligence info-net traceable to lack of honest-to-goodness military rapport with residents and local officials down to barangay level contributed to the "almost successful" capture on Nov. 3 of an Army camp in Diatagon, Lianga, Surigao del Sur by terrorists.

Compounding this deficiency are the lack of adequate logistical support for operation that could keep the troops highly mobile and maneuverable, and delayed replenishment of expended military hardware that could maintain the unit's and individual soldier's combat effectiveness.

This, in effect, was the message put across to Lt. Gen. Fidel V. Ramos, acting chief of staff of the Armed Forces and concurrent Constabulary and Integrated National Police chief, when he was briefed in barangay Diatagon last Nov. 8 by a military commander in command of "A" Company post of the 28th Infantry Battalion that was almost overrun by terrorist New People's Army.

The same message was conveyed and further elaborated on by mayors of Surigao del Sur headed by their league president, who took turns in reporting on peace and order conditions in their respective municipalities in a separate dialogue with Ramos which

followed the military briefing.

What surprised Ramos and his staff was that not one resident bother to warn the armed NPAs regrouping preparatory to the attack. Even during or after the attack, not a single civilian or resident bother to come out and say anything, nor to render any assistance of any sort.

The information bordering on residents' indifference to the military were conveyed to Ramos by the mayors saying their apparent indifference was traceable to what they called "over projectiveness" of the military and police to abusive members of the Civilian Home Defense Forces.

COLUMNIST VIEWS MILITARY ABUSE AGAINST ILOCOS TRIBE

Manila BULLETIN TODAY in English 10 Nov 84 p 6

[Article by Apolonia Batalla: "People of the Ilocos"]

[Text]

THERE were roughly two migratory waves that started in eastern Java to settle along the llocos coast in the north. It seems that the second wave was more aggressive, for when it arrived it drove the earlier settlers inland, to the hill country in the east.

The earlier settlers have come to be krown as the Tinggians and are to this day sometimes treated condescendingly by the descendants of the later migrants.

Now, the Tinggians are in trouble for the second time. Our correspondent in the north reports that people in the remote sitios of the municipalities of Santa Cruz and Suyo, in the province of Ilocos Sur, are being assaulted by soldiers who suspect them of being NPA sympathizers.

Forty-two residents of a sitio in Santa Cruz sent a petition to the President complaining their relatives had been arrested without warrants and were being detained

by the military.

Soldiers were reportedly ransacking homes without search warrants and committing atroci-

In the municipality of Suyo, an interior town of Ilocos Sur. 365 residents sent a petition to the Mayor urging him to ask for the pullout of the military detachment from the community

It does not seem to matter if these municipalities form part of the "solid north." For some time now, large military units have been deployed in Ilocos Sur and Ilocos Norte on account of the rising activities of the NPA in those provinces.

Before, Abra, the home province of Father Balweg, had been the problem province. If the trend continues, La Union may join the parade. There is already problem in Pangasinan and it has provoked a statement from the Trial Lawyers Association of the province upholding the rule of law

In a statement given on the occasion of the 45th anniversary of the Defense Ministry, Minister Juan Ponce Enrile urged soldiers to uphold the rule of law.

Of course, if the rule of law were upheld, there would be no ransacking of farmers' houses without search warrants, no arrests without warrants of arrest, no atrocities, and there would be no complaints from the Tinggians.

But in the field, as we have noted a number of times, it is not enough to stress the rule of law because the exigencies of guerrilla warfare contradict most rules of decent behavior. Therefore, we cannot exactly blame the soldiers.

They are given a job and they have to do it.

The subversive activities in the Ilocos present a special case. Because it is the President's own region, the people can be persuaded more easily than those of other regions to support the government and to deny a haven to insurgents.

The descendants of the later migrants are clannish while those of the early migrants are even more so, they being mostly farmers in the hill country. The clannish nature of the people and the common customs contribute to the strength of the "solid north," especially as the President hails from the region.

On the basis of the factors underlying the cohesiveness of the region, there would be no need for drastic military measures against the peasant folk, unless, of course, we admit the validity of the position of such llocano rebels as Father Balweg.

The immediate reaction to the subversive problem would be to reconcile differences and the loyalty of the local government officials to the regime ought to be the initial propellant to reconciliation; it should be a case of one Ilocano to another.

In the event of misunderstanding, the local officials should be the bridge between the grass roots and the central authority. Nowhere else can that function, if taken seriously, be matched.

If the communication channels in the Ilocos region fail to operate in the matter of ensuring peace in the countryside, where else can the channels work effectively?

SOCIALIST UNITY ORGAN ON STRIKE BREAKING, OPTIONS

Auckland NEW ZEALAND TRIBUNE in English 29 Oct 84 p 7

[Article by D. Pamment: "Philippines: A New Viet Nam?"]

[Text]

 A colour photograph of a Filipino picket shot in the stomach horrified Hamilton activists.

Trade unionist. Ken Findlay, addressed the meeting of about 30 trade unionists, peace activists and members of the Latin America Committee on the current political situation in the Philippines.

He showed the photograph, which he had taken himself to illustrate the fascist terror tactics of the Marcos government. Marcos uses his 35,000-strong right wing 'death squads' to break strikes.

"Mr Findlay said that a judicial commission has proved that Benigno Aquino was murdered by government soldiers, thus further discrediting Marcos's main prop. the Army.

Massive demonstrations against the Marcos regime are held almost daily, and in Ken Findlay's view. Filipinos have three options: a fascist military coup, where the Army and big business take control: the replacement of Marcos by his chosen successor: the overthrow of Marcos by the mass of the people and the setting up of a people's republic.

Mr Findlay believes what is most likely at this stage is a fascist coup to pre-empt a social revolution

KBL CAUCUS CONSIDERS POSTPONING 1986 ELECTIONS

Manila BULLETIN TODAY in English 8 Nov 84 p 6

[Article by Jesus Bigornia: "KBL on the Horns of a Dilemma"]

[Text] The ruling Kilusang Bagong Lipunan party is on the horns of a dilemma. To hold or not to hold the election of local officials as scheduled in early 1986 is a problem now nagging the party leadership. The question surfaced at the last party caucus held in Malacanang last Monday morning. Pragmatic politicos, led by Deputy Prime Minister Jose A. Rono, found the vaguely rose-colored picture on the prospects of improvement of the Philippine economy as painted by Trade and Industry Minister Roberto Ongpin, the country's acknowledged economic "czar," not conducive to the holding of elections." Under current conditions, it was argued, a poll disaster may be predicted.

Party sources report that the trade and industry minister was prepared to concede improvement of the country's economic "climate" marked by high prices, massive unemployment, production shortfalls by the last quarter of next year. With the availability of a \$620-million standby credit line, Minister Ongpin asserted the situation here should begin to show improvement early next year. He added that by October 1985, factories now closed or operating at half their rated capacities should be operating full blast.

Leaders of the KBL found Minister Ongpin's projections "politically unacceptable." It was their feeling that the electorate would heap their frustrations and anger on the administration party should hard times persist. The result, according to Minister Rono and others, would be "catastrophic." To postpone the already scheduled election would, on the other hand, provoke widespread protests, not only from the opposition, but also from within the ranks of the ruling party. Up-and-coming younger men of the KBL aspiring for local positions would be alienated by suspension of the poll and its repercussions would be felt grievously during the presidential election set for 1987.

The problem is further aggravated by a noticeable trend among the rank and file to distance themselves from the regime. It is reported that many town

and city mayors are already on the administration bus' running board, ready to jump off the party, depending on the state of President Marcos' health and his popularity. On the surface, the party exuded solidarity and power, but knowledgeable sources claim the cracks and seams are already showing. Indeed, the KBL is in a dilemma.

CSO: 42-0/235

FIRST LADY STARTS 'SAVE A CHILD' PROGRAM

Manila BULLETIN TODAY in English 8 Nov 84 pp 1, 13

[Article by Brenda Tuazon]

[Text] The First Lady, Minister of Human Settlements Imelda R. Marcos, citing the welfare of children, particularly those from poor families, launched her "Save a Child" program yesterday, the ninth anniversary of the Metro Manila Commission.

Mrs Marcos, who is also Metro Manila governor, said that the program would give top priority to the needs of the children in the metropolis.

Accompanied by her grandson, Fernando Martin Manotoc, she visited the Paaralang Andres Bonifacio and the J.P. Rizal elementary schools in Tayuman, Tondo.

She told teachers at the Andres Bonifacio school that President Marcos appreciated the unselfish efforts and the dedication of public school teachers in preparing the youth to become good citizens and future leaders.

She announced the release of P800,000 to complete the unfinished building of the school.

"Our p.ogram will also attend to the needs of disabled school children whose future may be jeopardized without such help from the government," Mrs Marcos said.

At the J.P. Rizal school, she praised the clean and happy faces and vivacity of the children.

Also with the First Lady were Vice Gov Ismael A. Mathay Jr., Minister of Food Jesus Tanchanco, and Deputy Minister of Public Works Aber Canlas.

She told teachers in both schools to inform school authorities and her office if they needed help for projects to improve the welfare of the children.

In the first school she visited, Mrs Marcos was velcomed by a group composed of schoolchildren conducted by Mariquita Portento. Delighted by the rondalla, Mrs Marcos spontaneously sang to them "Dahil Sa Iyo" to the applause of teachers and children of Andres Bonifacio school. In return, the children sang back to her the national favorite "Ako Ay Pilipino."

COLUMNIST REPORTS PRC CHURCH HEAD'S CRITICISM OF SIN

Davao City PEOPLE'S DAILY FORUM in English 8 Nov 84 p 2

[Commentary by Casim Arconcel in the "By-Line" column: "Sin's Balik-Tsina"]

[Text] Among the best loved personalities who had reached perhaps more than all the people in the world during the time of Christ are followers of Maharishi. For more than a score of years the voice of the 'messiahs' of a revolutionary sound of music still rings around the glove with the same intensity, if not more.

Indeed, only a few know--and fewer remember that the beloved Beatles, Rolling Stones, Bee Gees and other popular singing groups are devotees of the 'new' doctrine which is one of the oldest religions in the world--Maharishi. Of course most of their music hardly is conducive of transcendental meditation, although it can be safely assumed that the success of the mopped-headed howlers may be attributed to every 'hard day's night' they thrilled millions and millions of their fans. Nobody then cared if John Lennon, Paul McArtney, George Harrison and Ringo Starr were not 'christians' in the definition of the Roman Catholic church.

So what's all the fuss about Unified Field buying the bankrupt University of the East or the 3,000 or so Maharishi followers now in the country to spread a modern science, or religion, if you please. The freedom of worship is one of the rights guaranteed by the constitution in the Philippines.

However, His Eminence, the 'ayatollah' Jaime Cardinal Sin, who may be able to stand the racket the Beatles dish out even during his meditations has balked at what he called a Hindu-based religion which he said is an open contradiction of the Christian religion. The 'ayatollah' of Catholics of the Philippines while advocating for the constitutional right of peaceable assembly for redress of grievances would not tolerate religious freedom provided for in the same organic law.

The cardinal approves of Christian meditation, but what bugs him is Maharishi's 'transcendental' way which he wants Catholics to prevent like tooth decay. Another point of controversy is how Maharishi views sin as something 'external, legalistic' in nature, regarding sin (not the 'ayatollah') as a bodily matter

outside of the spirit or soul of man. As for Unified Field, Sin prefers that his flock take to Ugarte field instead.

Of course Sin can rest smug with the thought that his Catholic flock will always stand by him and the Vatican that he decided to launch his Baliktsina odyssey to the land of his heavenly ancestors. Having failed in his bid for a reconciliation with the Marcos administration, Sin Trekked into his next misadventure of trying to reconcile the breakaway Patriotic Catholic Association and the Vatican.

But the head of the state-run church accused the Vatican of sending Sin to infiltrate the Chinese Catholic hierarchy to 'instigate opposition to socialism', a UPI dispatch said. The visit of Sin was viewed as an interference to Chinese church affairs which is regulated by the government.

If Sin got away with his insidious rantings in the Philippines he might find himself entrapped between the Sino-Vatican war. The act of meddling, even by a Chinese mestizo could shorten his 10-day visit to the mainland which he intends to include a trip to Sizmen, in the Fujian province where his ancestors hail.

When he comes back, Marcos rooters might just as well yell to him, 'Uli-tsina'.

DEATH, ARSON ERUPT IN MINDANAO BANANA STRIKE

Davao City THE MINDANAO DAILY MIRROR in English 1 Nov 84 pp 1, 10

[Text] The rift between the striking workers and the management of Davao Fruits Corporation (DFC) a banana plantation at barangay La Filipina, Tagum, Davao del Norte turned for the worst when a laborer was killed and two packing houses were burned by heavily armed men believed to be sympathizers of the workers midnight of Monday.

Police identified the slain laborer of DFC as one Florante Candelario, 27, a resident of Misa District, Tagum, this province. His cadaver was found dumped along the roadside at Seminary Drive.

Cpl. Pedro Obero, officer on case, said the victim despite proddings from his co-workers refused to join the strike at DFC. The victim's parents, according to Obero, were even told by some striking workers to order their son to sympathize with them.

Probers theorized that the victim's refusal to join the strike must have been the motive of the brutal slaying.

Razed by the midnight fires that broke out almost simultaneously were the packing houses of Twin River plantation, a sister company of DFC at barangays Pangi and Hijo, all in Maco town.

Police said that company guards were hogtied by the armed men before they poured gasoline and set ablaze the two packing houses. Estimated damaged was placed by probers at around \$200,000.

After burning the two packing houses the armed men fled leaving behind a placard with a warning that if DFC management will not settle the demands of the striking workers they will burn all the buildings owned by the firm.

Earlier, about five hectares of banana plants were also chopped down by a group of armed men while a poclain was burned after its operator was tied to a coconut tree.

Levelled by the armed men were two and half hectares owned by Twin River plantation at barangay Magdum, about a hectare owned by Hijo Plantation at barangay Madaum, about a hectare owned by Twin River at barangay Pagsabangan and about half a hectare owned by DFC at barangay San Miguel, all in Tagum town.

The three banana plantations Twin Rivers, Davao Fruits Corporation and Hijo Plantations are all under the Ayala Group of Companies headed by lawyer Jesus V. Ayala.

EEC CHANGE THREATENS COCONUT EXPORTS

Manila BULLETIN TODAY in English 1 Nov 84 p 11

[Text]

The Asian and Pacific Coconut Community (APCC) strongly opposed a change in European Economic Community (EEC) provisions on undesirable substances in feedstuffs, particularly those mandating the inspection and detection of afflatoxin levels at the port of entry and not at feedstuff factories

Any raw material which could be used as feedstuff could be subject to the new EEC restriction, the APCC said in a resolution at the close of its 21st session

Furthermore, the APCC resolution stated, exporters could suffer penalties for afflatoxin contamination which might occur during

shipment of the material for which they could not be held responsible

The APCC chairman, Minister Harold Herat of Sri Lanka, instructed the executive director to communicate immediately to the president of the EEC council of ministers the strong opposition of APCC member countries to the proposed amendment to EEC directive 74 63

The executive director was also instructed to formulate into specific measures the wideranging proposals raised in his report to facilitate decisions by membergovernments of APCC:

Rolando P. de la Cuesta, chairman of the Philippine Coconut Authority, challenged APCC member-countries to seriously consider undertaking a product diversification program hand in hand with a market promotion program in order to diversify markets.

Citing the need for concerted action based on coresponsibility, De la Cuesta emphasized that self-reliance by the private sector and reliance on government support and technology in coconut development constitute a course of action that is not only desirable but also highly beneficial to both sec-

He posed the question of what must be done to compensate for the loss of coconut market share and the resultant decrease in national income when production requirements are not

De la Cuesta urged APCC member countries to look ahead. reassess the current structure of the industry, consider the challenge of decisively opting for the manufacture of more processed coconut products and byproducts, and translate the potentials of non-traditional markets into reality.

Sri Lanka's Serat urged member. nations to address the problems of low productivity, the need to encourage the establishment of processing industries and the setting up of a well-organized and efficient marketing

system

SUGAR DEBTS, RAIN DELAY YELLOW CORN PROGRAM

Manila PHILIPPINES DAILY EXPRESS in English 4 Nov 84 p 8

[Article by Rose Dela Cruz]

[Text] SUGAR farmers are slow in picking up the government's expanded yellow corn program because of problems such as their huge unpaid sugar loans, too much rainfall which is bad for corn and the absence of post harvest facilities.

In fact, private sector participants, who were tapped by the Ministry of Agriculture and Food as credit conduits, are apprehensive of getting even one-fourth of the target sugar areas to be converted to corn this year.

They estimate that of the 2,700 hectares in Bacolod and Negros Occidental programmed for planting this December, only 500 hectares would "at best" be planted.

Sources said that the main problem bugging sugar farmers are the huge sugar loans incurred over the past years but which have remained unpaid.

About 95 percent of the farmers they have persuaded to join the program said their farms have been mortgaged several times over and were reluctant to incur more loans because they might not be able to pay for them, sources added.

Also, sugar farms, which are highly acidic and has to be limed to neutralize the soil, would require at least P800 per hectare for the initial application of lime. Subsequent applications will have to be made, they said.

So far, of the P4,800 per hectare production loan ceiling approved by MAF, only P600 per hectare was provided for liming and other land preparation costs.

Another problem on liming is the capability of the quarries to supply the required volume of sugar farms that will be shifted to corn.

Reorienting farmers values and planting practices, from year16 (sugar) crop to a twice-a-year crop (corn), would take some time to achieve, sources said.

The ministry has also set the deadline of corn planting in the Visayas to Dec. 15, which sources said would not be met because of continuous and too much rainfall in their areas. Corn does not grow well in too wet soil and its quality would be greatly affected.

But what bothers sugar farmers the most is the absence of post harvest facilities for corn, which they said should have first been developed by the government before "plunging into" the program.

Without such facilities, they said, corn that will be produced in their regions will just rot and farmers would be left at the mercy of traders, who will manipulate corn prices come harvest time.

But as far as the MAF is concerned, it has set aside P20 million for the establishment of post harvest facilities all over the country, the bulk of which will go to the Mindanao provinces.

The bulk of post harvest facilities required would however be "entrusted" by government to private sector's ingenuity, which the MAF thinks is not wanting.

BRIEFS

USSR ENVOY ON TIES, AWARD--Soviet Ambassador to the Philippine Yuri A. Sholmov has paid tribute to Filipinos and Russians who contributed to the promotion of friendship between the peoples of the two countries. In a speech delivered last Wednesday during a breakfast commemorating the USSR National Day (which coincided with the 67th anniversary of the Great October Socialist Revolution), Sholmov cited the pioneering efforts of "Comrade Nikolayeva and Labor Minister Blas Uple for the establishment of Soviet-Philippine diplomatic relations and for the promotion of better understanding between our two peoples." Sholmov said that for his efforts, Ople was conferred recently an honorary award "for his contribution to the cause of friendship." He said the recognition was the highest award given by the USSR Association of Friendship Societies. He recalled that Nikolayeva and Ople were among the few persons who initiated the organization of the USSR-RP Friendship Society and the RP-USSR Friendship Society. The First Lady, Imelda R. Marcos, is honorary chairman of the RP-USSR Friendship Society. Ople is the chairman, while Carmen Guerrero-Nakpil is vice chairman. [Text] [Manila BULLETIN TODAY in English 9 Nov 84 p 8]

POWER PROJECTS SCRAPPED--The Ministry of Energy will have to forego some of its proposed power generation projects because of inadequate financing following the abolition of the Oil Industry Special Fund (OISF), formerly a major source of funds for the development of energy sources. Energy Minister Geronimo Z. Velasco said that with the OISF gone, proposed power projects would be unde tiken based on the budget allotted by the national government to the ene ministry. The OISF was abolished through PD 1956, signed last October 18. Prior to its abolition, an average of 56 centavos per liter of petroleum products sold went to the special fund. Some of the power projects lined up by the energy ministry would now be funded by the national budget include geothermal plants in Kalinga-Apayao, Mt Province, Benguet, Camarines Norte and Davao; San Roque Multipurpose project with hydropower plant. These projects would not be solely funded by the government as available foreign financial assistance, either through loans or official development assistance, could help fund the power plants. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 11 Nov 84 p 20]

DEFENSE BUILDUP EXAMINED

Bangkok THE NATION REVIEW in English 16 Nov 84 p 13

[Article by Arthur Richards]

[Text]

SINGAPORE - Before the decade is out, the island nation once described as "apathetic and unprepared" will pump an additional \$6.5 billion or more into making itself a formidable defence theatre in Southeast Asia.

To the tiny nation of 227 square miles (588 sq km), the build-up will mean an annual defence expenditure of over \$1 billion — about six per cent of the country's \$16.1 billion gross domestic product (GDP).

"We will probably continue to spend six per cent of the GDP on defence each year," said Brig Gen Lee Hsien Loong, 32, political secretary to the Defence Ministry and eldest son to Prime Minister Lee Kuan Yew.

"This is a high average," he said. "It is nothing like what the Koreans or Israelis spend, but better than the Europeans, and slightly less than the Americans."

According to Lee, the expenditure is aimed at developing "a capability to survive in war" and tells a potential aggressor: "If you come, I'll whack you and I'll survive."

Singapore's expenditure will be the second-highest in the six-member Association of Southeast Asian Nations (ASEAN) after that of Malaysia, which is many times the size of Singapore. Although Singapore has no stated enemy and enjoys good relations with its neighbours, Indonesia and Malaysia, it has adopted a policy of "total defence."

The island-state guards the strategic entrance from the Indian Ocean to the Pacific and there are fears a threat could come from Vietnam, which is less than 450 miles (800 km) away.

"We are too small to be a threat to anyone. But we must be able to stand up for ourselves should we be threatened," Defence Minister Goh Chok Tong told Parliament recently.

The defence budget translates to \$600 per head to defend Singapore's 2.5 million people and every defence dollar is used to pack a mighty punch into the tiny island.

According to London's International Institute for Strategic Studies (IISS) Singapore's "fangs" include some 55,500 men under arms — half as many as the Philippines, even though it has less than five per cent of the population.

The Singapore Air Force has 27 F-5 fighters, A-4 Skyhawk ground-attack planes and 32 aging Hunter fighters. IISS figures show that Singapore also has 273 light tanks. The Singapore Navy also has 15 fast-attack craft - nine equip-

ped with missiles.

"These are indeed expensive toys, but going by the figures, the Singapore army is one of the best equipped and most mobile in the region with a formidable air force, although not battle tested," a foreign defence expert said.

It is in marked contrast to the situation of only 25 years ago, when the defence of Singapore under British rule was reported as

"inadequate and weak."

In 1963, when former Indonesian President Sukarno launched "Confrontation" against Singapore and Malaysia, armed Indonesian commandos penetrated British radar in Singapore and parachuted into various parts of Johore, the southern peninsula Malaysia state.

Even when the Japanese Imperial Army marched through Southeast Asia in 1941, Singapore was described by its British rulers as "apathetic and unprepared."

"The British only maintained their military presence, but did not contribute to a physical and material defence buidup in the country," said a political scientist.

Forty years have passed, with independence brought in 1965 by Lee's ruling People's Action Party, Singapore has gained greater military stature. Its armed forces are now described as an "instrument of death and destruction," their mission to defeat enemies "ruthlessly and completely."

To give back-up support to its defences, Singapore also plans to:

 Buy three E-2c Hawkeye radar aircraft, at a cost of over \$1 billion, to keep surveillance over its limited air space.

 Set up a civil defence school to train reservists in first aid, firefighting and rescue work and recruit 14-year-olds for civil defence

training.

 Install sophisticated Swedish-made sirens atop highrise apartment buildings as an early warning system. In addition, work has started on a \$2.5 billion, 42-mile (68 km) rapid transit system that would provide shelter in a nuclear or air attack.

However, there is growing disagreement as to whether the money is worth it — and whether any amount could give Singapore a credible defence.

"This is all a sheer waste of money," said J.B. Jeyaretnam, Singapore's lone opposition member of Parliament, who is opposed to any escalation of defence ex-

penditure.

"It is no use for us to behave like American wanting to challenge Russia or vice versa. The trend in the world – and America knows it – is to reduce arms expenditure and not run up your defence bill," said Jeyaretnam, secretary general of the opposition Workers' Party.

"This build up in Singapore is dangerous for it may raise some eyebrows about our attack capabi-

lities," he said.

"Also, who is our enemy? Vietnam? Will Vietnam have the capacity to mount an attack on

Singapore?" he asked.

Others noted a recent comment by Defence Minister Goh that he believed Southeast Asia will remain peaceful "for this decade."

"If there will be peace, then why should Singaporeans incur this heavy defence bill?" asked Chiam See Tong, secretary general of the opposition Singapore Democratic Party.

In the event of any attack on Singapore, he said, it is obvious "the big powers must step in."

"We are too tiny a country. Singapore can hold on to itself only for six to seven days. Its defences are tied to Malaysia. If Malaysia falls to an enemy, Singapore cannot be defended," Chiam said.

"It appears that we may have to fight on Malaysian soil even before an enemy reaches us. A defence bill is essential but we must reappraise the present amount," he said. Brig Gen Lee believes that "as long as the economy grows, we will be able to afford more hardware and more sophisticated hardware" to meet the strategy of letting potential enemies know they will pay a high price in an attack.

"The young general has got his priorities wrong," said Andrew Chin, 34, a political science graduate. "For whoever wants to subdue Singapore must first subdue Malaysia or Indonesia. We are sandwiched between our giant neighbours.

"We are even hardly visible on the world map. Since Malaysia and Indonesia are maintaining only a normal defence capability there is no reason why Singapore should

bloat up."

The defence proponents, however, point to an increasing Soviet presence in the Straits of Malacca and the Indonesian Sunda Straits.

Every month some 12 Soviet cruisers, destroyers and subma-

rines pass through these vital sea passageways connecting the Indian and Pacific oceans.

The Russians first flaunted their naval power in Southeast Asia in January 1971, when a lone Soviet destroyer-cruiser sailed past Singapore at a time when the commonwealth heads of government were meeting on the island nation.

A university don, who declined to be identified, said the defence bill is needed because the future is bleak.

"I see war in the distance," he said. "I see Southeast Asia in turmoil . . . First it was Vietnam, then Cambodia, next it will be Thailand.

"Singapore, if armed to the teeth, can provide the best military base for the defence of Thailand and Malaysia.

"The Russians are all around us... The threat is not a myth, but a reality." - Reuter

BAHT CURRENCY TO BE LINKED WITH YEN, GOLD

BK220402 Bangkok BANGKOK POST in English 22 Nov 84 p 17

[Text] In a major move to readjust its basket of currencies, the Bank of Thailand will place more weight on gold and the Japanese yen, a highly placed source close to the prime minister told business POST yesterday.

The source said the new weight assignments for foreign currencies in the basket have been agreed on during a secret meeting attended by a number of senior officials and Finance Minister Sommai Huntrakun, in his capacity as chairman of the Exchange Equalisation Fund, before he left for Japan.

In the recent adjustment of the baht's value, the government placed less weight on the U.S. dollar. Now, the value of the baht is based on a basket of seven currencies, with individual values depending on their respective trade volumes with Thailand. The seven currencies include the U.S. dollar, Japanese yen, British pound, German mark, Malaysian ringgit, Singapore dollar and Hong Kong dollar.

Because Japan is Thailand's biggest trade partner, with the trade volume between Thailand and Japan about 40 percent of Thailand's total trade with foreign countries, the meeting decided that the Japanese yen should have the biggest weight in the basket.

Another reason is that the yen is very stable and moves only slightly whenever there is a change.

"So if the baht's value is based on the yen more than other currencies, the baht will also be more stable," the source said.

The meeting also noted that gold has never been a factor in Thailand's basket of currencies, while it has played an important role in many other countries. The meeting thus decided that gold should also be one of the more important bases of the baht's value.

The source said the new basis will be valid immediately without having to ask for Cabinet approval, as the finance minister and the Bank of Thailand have full authority to make such a decision.

The senior officials participating in the meeting also included economic advisers to the prime minister who were fully authorized by the premier to act on his behalf.

The source said that although the meeting decided that the Japanese yen should have more weight in the basket, other currencies, such as the British pound and the German mark, have been considered as important factors as well.

He said the proportion of the Japanese yen in the country's currency reserves is about 15-18 percent, but it is expected that the amount will increase after the readjustment of the yen in the basket.

The meeting also anticipated that the baht will strengthen and move to about 26 baht per dollar by the beginning of next year.

FOREIGN MINISTER REPORTS ON ASEAN-EC MEETING

BK201358 Bangkok Voice of Free Asia in English 1030 GMT 19 Nov 84

[Text] The Association of Southeast Asian Nations or ASEAN has called for a ministerial meeting with the European Community or EC next year to review the economic relations between the two blocs, Foreign Minister Sitthi Sawetsila said yesterday. Speaking upon his return from the ASEAN-EC annual meeting in Dublin, Ireland, during 15 to 16 November, Air Chief Marshal Sitthi reportedly said that the proposed meeting should be aimed at removing obstacles to an expansion of economic ties as well as strengthening cultural ties between the two groupings.

Referring to the Dublin meeting, Air Chief Marshal Sitthi said the ministers agreed to work out measures to increase market access for each other by lowering restrictions to boost trade transactions. ASEAN foreign ministers also urged their EC counterparts to take steps towards greater transfer of technology to ASEAN institutes.

On political front, Air Chief Marshal Sitthi said that the Kampuchean issue continued to figure prominently during the meeting. The EC countries also accepted ASEAN proposals on peaceful solutions to the issue. Additionally, Air Chief Marshal Sitthi said the EC countries have praised Thailand's decision to float the baht currency. He said his EC counterparts greeted with approval the Thai decision to unpeg the baht currency from the U.S. currency, which rose in value by 15 percent over the past 6 to 7 months.

Foreign ministers of the European Common Market and ASEAN on Friday [16 November] condemned the Soviet military presence in Afghanistan and Vietnam's forces in Kampuchea. The joint declaration came at the end of the 2-day conference to agree on a new trade pact between the 'cs that would allow easier mutual access for their goods. The foreign ministers of Malaysia, the Philippines, Indonesia, Singapore, Thailand, and Brunei attended on the ASEAN side, and all European Common Market foreign ministers were also present at the Dublin meeting held from 15-16 November. Irish Foreign Minister Peter Barry, current president of the EEC Council of Ministers, warned the meeting that the continued occupation of Afghanistan by the Soviet Union and of Kampuchea by Vietnam was a threat to international peace and stability, conference official reportedly said. The conference also called for more international action to fight Asia's drug problem, the official said.

PHICHIT SAYS AMPIL 'REAL' TARGET OF VIETNAMESE

BK230222 Bangkok THE NATION REVIEW in English 23 Nov 84 pp 1-2

[Text] Aranyaprathet--Fighting between the Vietnamese and Khmer resistance forces for control of Nong Chan camp died down yesterday and Commander of the First Army Region Lt Gen Phichit Kunlawanit, in assessing the situation, said that the Vietnamese were really aiming for the rebel headquarters in Ampil.

Phichit described the Vietnamese attack on the Nong Chan encampment of the Khmer People's National Liberation Front (KPNLF) as "a trick."

"Their real intention is to attack Ampil camp," he told reporters as he toured the border areas in Ta Phraya District where Thai Government forces have been put on full alert in anticipation of a possible spill-over of fighting.

Ampil, which shelters about 50,000 civilians, is the main stronghold of the LPNLF and was attacked by the Vietnamese early this year.

Field military sources said fighting for control of Nong Chan encampment, about 40 kms from this border town, subsided yesterday as both sides tried to readjust their positions.

The sources said the fighting flared sporadically in the evening when the KPNLF forces under Chea Chhut and Chea Chaiya mounted a joint attack on the Vietnamese positions with an artillery barrage and small arms fire.

Phichit said the Vietnamese forces had suffered three times as many casualties as the Khmer resistance forces in the battle for Nong Chan which began on Sunday.

Field sources reported that the KPNLF forces had regained some ground lost to the Vietnamese who were still occupying a major portion of the area.

Phichit said the Vietnamese forces had prepared for this year's dry-season offensive earlier than those of past years and had been sending in reinforcements to western Kampuchea by air and inland waterways.

He said six Soviet-built Antonov-26 transport planes flew arms and military equipment to two major Kampuchean provincial towns near the Thai border early this month.

Phichit said Thai border forces were closely monitoring the movements of the Vietnamese forces around Ampil. Sources said that more Vietnamese soldiers were sent into positions near Ampil in what appeared to be a preparation for a major offensive against the KPNLF stronghold.

Thailand reserves the right to retaliate if Vietnamese shells land on Thai soil, he said.

Kampuchean guerrillas and Thai military staff at the border said the combined strength in the Ampil region of the Vietnamese and Heng Samrin forces had soared from two to nine regiments since April.

Phichit said on Tuesday the Vietnamese fired several artillery rounds into an area around Ampil, causing about 200 refugees to flee across the border into Thailand but they were later pushed back by Thai forces.

The sources said that so far, the casualties suffered by KPNLF were eight dead and 48 wounded.

An intelligence source said the Vietnamese had employed five battalions of troops and one battalion of Heng Samrin soldiers to attack the Nong Chan camp which was defended by about 2,000 KPNLF guerrillas.

He also said that on Wednesday night, the Vietnamese forces crossed the border and advanced about 400 meters into Thai territory in pursuit of KPNLF guerrillas. But they did not reach the anti-tank ditch dug by Thai soldiers which was about one kilometer inside Thai territory.

Meanwhile, about 18,000 Kampuchean civilians who fled Nong Chan have been moved to a temporary evacuation site on the Thai border at Ta Phraya. Makeshift huts roffed with blue plastic sheets have sprouted and more ground is being cleared to accommodate newcomers.

Relief workers yesterday also distributed food and water to the Khmer civilians. A relief official said that about 50 truckloads of water is being supplied daily to the refugees.

EDITORIAL ON CHANCE FOR TALKS WITH LAOS

BK210149 Bangkok THE NATION REVIEW in English 21 Nov 84 p 4

[Editorial: "Right Signals from Laos to End Unwanted Dispute"]

[Text] We have always considered that the problem between Thailand and Laos over the three border villages has been extremely minor, even if Laos and Vietnam raised strident voices in the UN General Assembly. We read that accurately at that time--everybody did--that all the noise was being created in the UN to prevent Thailand from getting a seat in the Security Council and that it was orchestrated by the Soviet Union which had put up Mongolia to contest for the seat.

From the time the problem was artificially created right up to this day it remains a minor one and we are glad that Laos is coming to realize that. From Vientiane's point of view that there is no use in continuing a 'war of nerves' with Thailand and this realization is all-important to us [sentence as published]. As is well known the three border villages are neither rich nor are they potentially rich but Laotian Ambassador Khamphan Simmalavong is right in saying that it is only a question of sovereignty.

But both Laos and Thailand know very well that the question of sovereignty cannot be settled by megaphone diplomacy. It is a question to be settled by technocrats, mainly cartographers. Right from the beginning, Thailand has proposed that since the question of sovereignty cannot be settled by diplomatic forays in Bangkok or Vientiane, it is best for qualified technical men from both sides to meet on the site with the intention of reaching an agreement.

But unfortunately the UN General Assembly session began and the Soviet Union was forced to use every arrow in its quiver to try to get Mongolia elected to the Security Council instead of Thailand. Now, that is water under the bridge. Thailand has all along strived to live on friendly terms with Laos despite the differing forms of government in the two countries because both countries stand to gain a lot through border trade and the transport of goods.

Ambassador Khamphan had met Foreign Ministry officials earlier and he went to see Parliament President Dr Ukrit Mongkhonnawin yesterday. Obviously under instructions from Vientiane, he has on both occasions indicated that there was room for compromise on the three border villages. We are extremely happy at the turn of events since we have always maintained that it is better for two countries to sit at a negotiating table rather than shout at each other or let bullets fly. It is to avoid this our Foreign Minister Sitthi Sawetsila announced in the UN that Thailand was unilaterally withdrawing troops from the disputed villages. At the moment all the signs are positive, and as Ambassador Khamphan said the dispute should be settled quickly. Given this amount of goodwill on both sides we do not see why this cannot take place soon.

NEW LABOR GROUP FORMED TO LOBBY FOR WORKERS

BK190958 Bangkok BANGKOK WORLD in English 19 Nov 84 p 2

[Text] A new labour group is to be set up in the form of a party to pressure the government on labour issues, Chuphong Thithuan, president of the Provincial Waterworks Authority of Thailand Labour Union told newsmen on Friday.

Founders of the new labour group, to be called the Thai Labour Party, included Chuphong, Wit Borisutthikun, president of the Tobacco Monopoly of Thailand's labour union, Wichai Phonmakrut, deputy president of the Bangkok Mass Transit Authority of Thailand's labour union, Chuchat Wiwatdechakun, organizing member of the Krung Thai Bank's labour union.

Most of them are members of the Labour Congress of Thailand [LCT] headed by Ahmad Khamthetthong, a labour source said.

Chuphong said founders of the new group agreed to make 16 November the party's founding day as it was the day the labour movement won in the rail dispute.

"Most Thai labourers think that Labour Day should be changed from 1 May to 16 November to celebrate the victory of the labour movement," Chuphong said.

He also said that the Thai Labour Party is not a political party as officials of state enterprises are not allowed to involve themselves in political activities.

He pointed out that the party's aim will be to pressure the government on the matter concerning welfare of Thai labourers.

Labour sources told the WORLD that the new labour group was formed by some members of the LCT without the knowledge of Ahmad.

PREM SAID TO TAKE STAND AGAINST ARMY

BK221015 Bangkok BANGKOK WORLD in English 22 Nov 84 p 6

["Opinion" by Political Periscope: "Political Milestone May Emerge From Prem's Trip"]

[Text] Pa [Prime Minister General Prem Tinsulanon] gained a lot of political credibility recently from his tough stand against the military over the devaluation of the baht, since this demonstrated the independence of his civilian government. There has been, in addition, speculations that Pa may adopt a more decisive measure and remove General Athit from his powerful Army Chief post.

The speculation arose during Pa's 5-day absence from the capital from last Friday when he went to Phu Phan Palace in Sakon Nakhon for a situation briefing with his majesty the king.

His journey caught the attention of political observers since it was the longest trip taken by Pa since his longtime illness. People speculated that it must have been a very important report that he had to make to the head of the country.

Since Pa resumed fulltime work at Government House early last week, he chaired a Cabinet meeting to tacile the threatened rail strike which was seen by political observers as an extension of the recent political crisis.

The strike escalated into a paralysis of the national railway system last Friday.

Meanwhile Pa was absent from a meeting of the National Petroleum Committee of which he is chairman.

Deputy Prime Minister Phichai Rattakun who represented him at the meeting told the meeting that Pa had been granted an audience with his majesty the king in Sakon Nakhon, for a situation briefing.

And Pa managed to prove again that he had been receiving the most kind treatment from the royal family. He flew to Sakon Nakhon in a plane of the Royal Flight, piloted by the crown prince himself. Later pictures were also released of her majesty the queen granting audience to him.

People admire the luck that Pa had enjoyed. They also appreciated the skill with which he had handled the recent political crisis.

During Pa's absence from the capital, rumour was spread that General Athit would be removed from his powerful position as Army Chief, leaving him only as a figurehead supreme commander. It is possible that the rumour had been released to test the reaction of the military.

However, some political observers are of the opinion that General Athit's recent strong televised attack on the government on the devaluation of the baht and his demand for a reshuffle of the Cabinet and a revaluation of the baht may have been rather more than Pa can tolerate.

A most crucial time was around 11 October when the military began doorto-door collection of signatures to reconvene Parliament. This came after General Athit reportedly held a meeting of his key military officers including about 50 Bangkok-based commanders to discuss the military's stand on the devaluation of the baht.

Well-informed sources have told Periscope that on the heels of the military's movement, Pa contacted several leading military officers loyal to him as well as key members of his coalition government to discuss whether the government should initiate an opening of Parliament under Article 153 of the Constitution, to explain government policy on the devaluation of the baht, and to declare the session closed immediately after that.

During the discussion, it had been suggested to Pa that there should be only one government in a country, since it would be difficult to expect peace and stability in the country when the Army publicly declares a confrontation with the government.

Periscope was told by a well-informed source that Pa agreed not to initiate a move for reopening Parliament in order to avoid further confusion. As for the suggestion that he uses his authority as defence minister to remove ill-disciplined top military officers, Periscope's source said that Pa listened to the suggestion, but said nothing.

However, it has been noted that Pa must have exercised his exclusive authority to bring political tension down to normal in the same day, since on the next morning Pa surprisingly told the press that he had reached agreement and had no conflict with the military, while General Athit told a group of 300 supporters that he still respected and had no ill intention towards Pa.

But the source was confident that a skillful politician like Pa must well understand the situation that the relationship between the government and the top military had deteriorated too far to hope for any reconciliation. The root cause of further confusing situation must be got rid of.

Therefore when Pa abruptly left the capital for a "situation briefing" for as long as 5 days, while pictures of him in the company of various members of the royal family were continually released, political observers are speculating that Pa must have been doing more than participating in just an ordinary situation briefing while he was in Sakon Nakhon.

KAREN REFUGEE SETTLEMENTS, RELATIONS WITH BORDER KIN Kuala Lumpur BUSINESS TIMES in English 5 Nov 84 p 25 [Article by Francis Deron]

[Text]

AN UNPRECEDENT-ED Burmese army offensive against insurgents has driven some 10,000 ethnic Karens into neighbouring Thailand since early

this year.

The Adventist Christian Karens who have flocked into Thailand receive treatment that sharply contrasts with Bangkok's stand toward Indochinese refugees, a visiting Agence France-Press: correspondent recently observed.

The Indochinese are placed in closed camps on the Thai-Kampuchean frontier, awaiting resettlement in third countries which can take months or even years. But the Karens are free to come and go as they please within the frontier zone

Ethnic Karens have started to carve out a living in Thailand much as they did in the Karen villages of Burma, where all still hope to return some day.

But many of their villages have been flattened by phosphorous shells as part of the Burmese government's drive to still the Karens' 35-yearold resistance. Home for many is now one of eight camps spreading over 100 km about 500 km from Bangkok

The camps' population varies, according to the intensity of fighting in Burma.

There are some 9,000 refugees in the camps now against 15,000 several months ago, said Serge Manoncourt, head of the French relief group "Medecins Sans Frontieres" (doctors without frontiers), one of the organisations providing medical care in the settlements.

Some settlers cultivate small plots of land granted by Thai authorities. Others have trade with neighbouring Thai villages, selling wares or services.

Thai merchants themsclves have entered
the Karen camps to
open up grocery stores
and other concerns.
The Komulah camp,
some 20 km north of
Mae Sot, boasts five
well-stocked shops catering to a 2,000-strong
refugee clientele,
mainly old people, women and children.

Karen leaders expressed optimism that the refugees would soon be able to return

to their villages in Burma

But the network of trade which has taken hold in the refugee campo suggests that at least some of the Karens are resigned to a longer stay in Thailand

Issue

"We will return to Karen territory ... perhaps." said one refugee

No one has yet asked for asylum in the West. the French doctors said

Trade has been fuelled by the relative case of cross-border traffic in this frontier sector Some families straddle the Thai-Burmest border without being cut off from their kin Except for a few trouble spots the border is open without customs formalities

There is talk of forming six of the refugee camps into a loose knit Karen village and the Karen insurgents' military leader, Major Hla Moo, on the Burmese side of the frontier, has drafted a full scale development plan

Officials of the selt preclaimed Karen gov ernment administer the camps, which get 50 per cent of their supplies from foreign rengious groups

Although they have no police force, the camps have a trouble free record and have avoided any friction with That authorities, Karen leaders and French doctors said

The situation nevertheless represents an added burden for Thailand, which has handled the largest load of the 13 million fugitives from Indochina since the end of the Vietnam War in 1975

Prayong Soomsiri, Gene ral Secretary of the country's National Security Council, raised the issue in August with a representative of the United Nations High Commissioner Refugees (UNHCR) in Bangkok

He pointed out that some 32,000 earlier ethnic Rurmesc had already settled in northern Thailand before the Karen refugees start ed arriving

Karen camp leaders in Thailand insist that their camps are not being used as support bases for guerilla war

fare

But French doctors who cross periodically into Karen territory on the Burmese side of the frontier - said the refugees did provide back up support, if only food supplies, to resistance fighters in Burma

At the frontier, marked by the Moci River, Karen schoolchildren on vacation hardly bother to hide the am munition, bought on the Thai black market. which they carry to the front

Neither Burmese mili tary pressure nor Thailand's recent strengthening of its border presence has brought an end to these old frontier WAYS. -Bernama AFP

PAPER URGES MILITARY TO PUT ASIDE DIVISIVENESS

BK290939 Bangkok TEAI RAT in Thai 29 Nov 84 p 3

[Editorial: 'Strengthen Unity To Fight"]

[Text] The current situation along Thailand's borders gives rise to concern in the light of Vietnamese provocations. The Vietnamese seem to have learned about weaknesses in the opposition—Thailand or Democratic Kampuchea—and have exploited them. Although the military may believe that it is prepared to safeguard the country's sovereignty, from a political viewpoint the opposition could find many areas to exploit politically and militarily and thus worsen the situation.

The fighting along the Kampuchean border has become more violent in the past week. The fightint is not limited to Iampuchea--Vietnamese troops have made a deliverate intrusion across the border as well, resulting in considerable casualties. The influx of Kampuchean civilians has also added to Thailand's burden.

Meanwhile, there has been a constant stream of negative domestic news in Thailand, such as the news about the supreme commander making an unscheduled visit abroad when the situation might require his presence. His travels have also caused confusion in the country. True or not, such confusion would be assessed by opposition embassics here and exploited politically and militarily.

In the current situation, we feel that we must strengthen our unity and the military must regard it as its highest priority duty to safeguard national sovereignty. It must be demonstrated that the military and the government are united and our policies are being implemented in harmony. Any disunity that exists will affect our forces' ability to defeat the opposition.

The officials concerned must be aware of external threats, particularly in the Indochinese context where the opposition hopes to exterminate the Ehmer race and set its sights on Thailand next, in order to figure out what military or diplomatic actions are needed to remedy the current border situation.

If disunity occurs on our own making, it would be sad because Thailand would follow the example of its neighboring countries, where disunity between national and militry leaders brought chaos and eventual loss of national sovereignty.

CSO: 4207/57

PREM, ATHIT, CROWN PRINCE SPEAK AT WALKATHON

BK020542 [Editorial Report] Bangkok Domestic Service and Bangkok Domestic Television Service in Thai at 0030 GMT on 2 December begin live, narrated coverage on the charity walkathon to mark his majesty the king's birthday.

At 0100 CMT, Prime Minister General Prem Tinsulanon, who is presiding over the event, arrives at Sanam Luang, the site of the start of the walk. The national anthem played. With General Athit Kamlang-ek at his side and flanked by other military officers -- including General Thianchai Sirisamphan, General Phichit Kunlawanit, General Mana Rattanakoset, and Police Director General Narong Mahanon-Gen Prem stands in salute to the national anthem. He then pays respect to the royal portrait of the king and delivers a speech. Gen Prem praises the king for his tireless efforts in his dedication to the cause of the people, noting in particular his visits to rural people and his concern for development projects initiated for their welfare. Gen Prem says: "Many projects have been initiated by his majesty the king out of his conviction that he must find ways to improve the welfare of his subjects. This has resulted in a common benefit to the whole nation, as these projects have greatly contributed to economic and social development and to national security. His majesty the king has initiated the establishment of development centers in various parts of the country for the purpose of overall rural development. These centers study the most suitable development and vocational training projects to be initiated in each locality of the country according to the terrain and climate of each area, as well as on the people's means of livelihood existing in each area. These centers give information to the local people on the general knowledge about rural development as well as training in farming, arts and crafts, and cottage industry. His majesty the king's initiative has set a guideline for national rural development as a whole, as the concept is to teach the rural people to help themselves and to be selfreliant."

Gen Athit, in his capacity as chairman of the walkathon organizing committee, reports on the purpose of holding the walkathon. At about 0125 GMT, Gen Prem declares the event open. The crowd, led by Gen Athit, starts the walk from Sanam Luang. They are joined by Crown Prince Wachiralongkon, who arrives at the Sanam Luang area at about 0135 GMT to lead the walkathon. The crowd, estimated at about 1 million, walks from Sanam Luang along Matchadamnoen Avenue heading with the Boyal Plaza as its destination.

At 0210 CMT, the crown prince, accompanied by Gen Athit, arrives at the Royal Plaza. At about 0230 GNT, the royal anthem is played. Cen Athit then, on behalf of the people, delivers a speech expressing best wishes for his majesty the king on his birthday. He says: "I would like, on behalf of the civil service, the military, police officials, and of the people who are most loyal to his majesty and who are gathered here today, to express our loyalty and gratitude to his majesty the king. His majesty is the center of unity of all the Thai people. His majesty has made all efforts to eliminate miseries and to bring happiness and peace to the people throughout the country. No matter when the country was beset by threats from the enemy, ignoring the dangers surrounding him, no matter how bad the weather, his majesty has never displayed fear or desperation. He has courageously and tirelessly visited the people in any part of the country. Moreover, he has shown his concern to them by helping in various forms the soldiers, policemen, civil servants and general people who are beset by misfortunes." Gen Athit then presents to the crown prince the symbolic flowers and tributes to the king.

The crown prince delivers a speech thanking the people on behalf of his majesty the king. He says: "This event is a show of the loyalty of the Thai people to their nation, religion, and king, as well as a show of the love the Thai people have for each other as members of Thai society. The unity, solidarity, and sincerity of the people is most valuable for a nation, and I personally believe this is the best birthday present we can offer to his majesty the king on this occasion."

The crown prince leaves the Royal Plaza at 0254 GHT. Coverage of the event ends at 0300 GHT.

cso. 4.07/57

PAPER ON SRV DRY SEASON OFFENSIVE ALONG BORDER

BK280319 Bangkok THE NATION REVIEW in English 28 Nov 84 p 4

[Editorial: "Vietnamese Threat Along Eastern Border Increases"]

[Text] From the start of the dry season offensive by the Vietnamese against the Kampuchean resistance fighters, it had been clear that this time Hanoi meant business and was determined to clear western Kampuchea of all guerrilla forces. It is not for us to predict whether the Vietnamese will achieve their goal or not, but it had been a foregone conclusion that the 'war' being fought so close to our eastern border will spill over.

Again we cannot be sure whether the Vietnamese forces crossed the Thai-Kampuchean border intentionally or by accident. But it is certain that they were not at all bothered by that international frontier. But our point of view is clear—we do not want Vietnamese forces crossing the border into Thai soil and destablizing that area. During the past two days the Vietnamese have been crossing the border and are being pushed back with heavy casual—ties.

The question that emerges from this is: Now many times will the Vietnamese breach our eastern border during this dry season which will last for another seven months. Up to now the number of armed Vietnamese soldiers crossing the border has been small but one can never be sure of the future. Nor can we be sure how far the Khmer resistance forces will be able to keep them away from the Thai border. Our Foreign Minis "make strong protests about these incursions to the United Nations b. ... etnamese, as usual, will take no notice of it.

Other distrubing news is the number of tanks and the armoured personnel carriers which the Soviet Union has directly dispatched to Kampuchea to beef up the Vietnamese army in this dry season offensive. It has been reported that five Vietnamese tank units are close to Nong Chan village in Ta Phraya District but they cannot go into action because the area there is still not dry enough. When these tank units go into action, it will become a very serious problem for the resistance force and the Thai border will become sensitive.

We do have an anti-tank canal-sort of a poor man's Maginot Line-but that cannot be depended on too much. We do not believe that the Vietnamese will

make an actual incursion into Thailand in any strength but at the same time one must remember Vietnam's total disrespect for international borders and for international conventions. We do have a strong military force defending the border and up to now the Thai soldiers have been able to repulse Vietnamese forays with telling effect.

But here again there is a problem for the soldiers' morale. It must be frustrating that the Vietnamese can cross the border at will while Thai troops cannot do the same thing. Further, the Vietnamese offensive itself may take a strange twist. Up to now the Vietnamese have been taking on justified by Son Sann and Sihanouk but when they meet the Khmer Rouge, they will find an entirely different scenario because the Khmer Rouge are battle-hardened and masters at guerrilla warfare. But from Thailand's point of view the next few months will be of great concern along the eastern border.

NATION VIEWS POLITICAL, MILITARY CLASH

BK020241 Bangkok THE NATION REVIEW in English 2 Dec 34 p 9

[Text] The change in the power equation which emerged after the political-military confrontation over the baht devaluation was last week further tipped in favour of Prime Minister Gen Prem Tinsulanon. The dust has started to settle, although unresolved questions related to future balance of power will continue to constitute a major element of uncertainty in the domestic political scene for some time to come.

The basic picture that has emerged from the political mist is a stabilization of the new power relationship between the top leaders of the government and the armed forces: Prime Minister Prem and Supreme Commander Gen Athit Kamlang-ek.

Although there are still some nuclear facts relating to events in the past week, it has become increasingly clear that Gen Prem is in full command with overwhelming support from the top all the way downwards, while Gen Athit's backing is more restricted to certain quarters in the armed forces. The question of the so-called statesman-strongman relationship is now no longer a question, at least for the few months ahead.

Events over the past week have boiled down to, from a political perspective, a demonstration of full support for the premier dispelling any doubts that may have been lingering after the unsuccessful military challenge over the baht devaluation. The immediate question arising from the military-government reconciliation of their differences over the baht devaluation is whether such a challenge will be repeated in the future.

The answers to this question were then purely speculative, but events over the past week have shed some light on the query. They might not answer the question directly, but then it seems clear enough from what transpired that the prospect of a new military challenge, if that still exists at all, has diminished.

Political observers have noted that Gen Prem's bargaining chips had apparently increased following his return to Bangkok last Sunday from Sakon Nakhon where he spent nine days at Phu Phan Palace to report government affairs, particularly in developmental fields, to His Majesty the King.

Ilis reporting on the country's affairs, according to government authorities, may be of a routine nature, but Gen Prem himself told reporters that after the report, he extended his stay at the northeastern palace in accordance with the wish of His Majesty the King, who compassionately asked him to take a holiday to regain the strength he lost during his lung ailment.

Newspapers also made headlines of his arrival in Bangkok last Sunday. The premier alighted from a Boeing 737 flight with HRH Crown Prince Wachiralongkon, who personally drove him to the Sisao residence. The premier upon arrival at his residence, knelt down before the crown prince to perform a wai in the presence of reporters.

Gen Prem, who spent only seven days at the Government House last month, has been in an obviously happy mood following his return from Sakon Nakhon. According to his close aides, the premier was in a jubilant mood when he asked his aides to draft "quite a good speech" he was to deliver during a banquet hosted by HM the King at the Phu Phan Palace Friday evening. His mood was in sharp contrast to rumours that he would soon step down because of desperation.

In the wake of these events, Gen Athit, who had been in the South since 24 November for an inspection trip, disappeared from sight last Monday in what later turned out to be a surprise private visit to Indonesia. Speculations were rampant over what his real plan was.

As it turned out, Cen Athit had been invited by his counterpart, Gen Benny Murdani to Bali on a "sight-seeing trip." He did meet Gen Murdani in Bali last Tuesday before flying home the following day. Gen Prem and Deputy Defence Minister ACM [Air Chief Marshall] Panieng Kantarat also said that they had been informed of the trip in advance and that permission had been given in accordance with relevant established regulations.

Yet, behind-the-scenes events that have prompted Gen Athit to schedule the Indonesian trip during Monday-Wednesday have been kept under wraps and a military spokesman refused to discuss the trip following the General's return on Wednesday.

Political pundits have come up with the theory that Cen Prem may have instructed Gen Athit to lead a secret mission to Indonesia, making use of his close relationship with Gen Benny Murdani while some insiders said they believed Gen Athit went there for a sight-seeing trip to escape the wild rumours in Bangkok over a possible forthcoming change that could affect him.

In any case, Gen Athit later invited Gen Prem to lead a walkathon, scheduled for today, to raise donations to mark the anniversary of the Kine's birthday on 3 December, in what appeared to be a gesture to patch up the relations between the two. It was also taken as a gesture from Gen Athit that he does not harbour any intention to challenge the premier again.

Whether that was a tactical retreat or a genuine gesture will continue to be a question mark for analytical observers, but the gesture will predictably help the political dust to further settle.

In the meantime, further relations between the two generals were last week up for debate among insiders. The question of extension after the Gen Athit reaches his mandatory retirement age of 60 next October is yet to be resolved. That constitutes an element of fluidity in the domestic political scene.

The uncertainty has given rise to symptoms in the form of rumours which have been widespread since the settlement of the military-government conflict over the baht devaluation, which boiled down to a victory for the government. The rumours include an imminent ouster of Gen Athit, a Cabinet reshuffle and a forthcoming resignation by Gen Prem as prime minister.

The rumours are expected to decrease in intensity after Gen Prem heads the walkathon which has been energetically organized by Gen Athit; yet discussions on the future after next October will continue until a decision, which is not expected to come too soon, is arrived on next year.

Insiders said that all the three possibilities that came up in the course of the high-level discussion last week were: to extend both Gen Athit's term as supreme commander and his term as army commander-in-chief, to extend the former term only; and not to extend both terms at all. That is a time bomb the premier has yet to be defused.

DEVALUATION CREATES PROBLEMS IN NATIONAL BUDGET

BK190238 Bangkok BANGKOK POST in English 19 Nov 84 p 5

[Text] The Finance Ministry has allocated a special undisclosed budget for the Armed Forces whose development plans are likely to be affected by the recent devaluation, an informed source said. The source did not say where the ministry would obtain the money but said that several low-priority projects would have to be put off indefinitely.

Meanwhile, other sources said that the present revenue target of 178,000 million baht for 1985 would be at least 10,000 million baht short. They said the devaluation was expected to curb imports, thus affecting revenue from import tax.

In addition, revenue from corporate tax would decline because of lower profits due to higher costs of imported raw materials. On the other hand, the sources said expenditure would go up significantly.

The government had reported's set aside 10,805 million baht during the current 1985 fiscal year for foreign debts repayments. But this amount would increase by 1,900 million baht because of the devaluation, according to the sources.

The 932.3 million baht budget to maintain staff at embassies abroad would rise by 200 million baht also, they said.

The Finance Ministry would also have to find between 2,000 and 3,000 million baht to add to the 41,421.6 million baht national defence budget because of the shortfall after the devaluation, they added.

The sources said one suggested solution was a 5 percent across-the-board cut on all planned spendings for this fiscal year.

Another measure suggested was for all agencies to economise and to buy locally-made goods as much as possible.

They suggested the government would have to borrow beyond the original limit of 35,000 million baht to cover larger budget deficit. They said the government must borrow more from domestic sources before considering overseas loans.

The source predicted that as a result of changes in the government's budget situation, salary adjustment for civil servants would be difficult, public services were expected to cost more, and tax collection was likely to be stricter.

BRIEFS

SWEDISH FOREIGN TRADE MINISTER ARRIVES--A Swedish trade and industry delegation, led by Sweden's Minister for Foreign Trade Mr Mats Hellstrom, arrived here yesterday for a four-day visit. The Swedish minister met Communications Minister Samak Sunthorawet in the afternoon. He will today meet Industry Minister Op Wasurat and Deputy Commerce Minister Phairot Chaiyaphon, officials of the Board of Investment and Association of Thai Industries. He will also meet Deputy Prime Minister Phichai Rattakun and top officials of the National Economic and Social Development Board tomorrow. [Excerpt] [Bangkok THE NATION REVIEW in English 28 Nov 84 p 25 BK]

HMONG REFUGEES PUSHED BACK--Loei--Thai authorities have pushed back a group of 103 Hmong hilltribe people who crossed the Mekong River into this north-eastern province. The Hmong, including several children and women, landed at Ban Khokbao of Tambon Hat Khamphi in Pakchom District on 19 November. A unit of the Mekong River patrol and defence volunteers arrived at the village on Monday and persuaded the refugees to go back to Laos. The refugees claimed they had paid about 2,000 baht each to people at Ban Winai refugee camp in Pakchom District to arrange for them to be admitted into the camp. [Text] [Bangkok THE NATION REVIEW in English 28 Nov 84 p 3 BK]

TINPLATE IMPORT UNDER CONTROL—The Cabinet yesterday endorsed a proposal of the Industry Ministry which wants to control the import of tinplates for the can manufacturing industry. The same proposal was approved by the Council of Economic Minister on Monday. The Cabinet instructed the Commerce Ministry to set conditions for importers of tinplates to provide details on consumption with certificates showing the standard quality of imported tinplates. At the same time, it also instructed the ministry to closely monitor domestic prices of tinplates so that they do not climb up from the present level and become burdensome for producers of canned food for exports. [Excerpt] [Bangkok THE NATION REVIEW in English 28 Nov 84 p 25 BK]

SUA, KUOMINTANG FACE OFF--Mae Hong Son--Fighting between Shan United Army (SUA) troops and Kuomintang (KMT) forces is looming as both sides are confronting each other near a border village in this northern province, a military source said. The two factions, both armed with sophisticated weapons, are gathering in Na Papaek Village near Doi Lang, the source said. [Text] [Bangkok BANGKOK WORLD in English 20 Nov 84 p 3]

MORE ATTACKS ON KARENS PREDICTED--Supreme Commander Gen Athit Kamlang-ek said yesterday that the fighting along the Thai-Burmese border between the Burmese and Karen rebel forces will intensify in the upcoming dry season. General Athit said that the Burmese troops during the rainy season had moved in more reinforcements to the area close to Thai-Burmese border including improvement of the Karen rebels' strongholds close to Thai border. He said that at the moment the Burmese troops have moved closer to the Thai border around Tak Province, preparing for an all out attack on rebels. [Text] [Bangkok THE NATION REVIEW in English 20 Nov 84 p 5]

RICE EXPORTS INCREASE--Thai rice exports during the first 10 months of this year already exceeded 1983's total which was an all-time record in Thailand's almost century-long rice exporting history. Thailand exported 3.7 million tons of rice last year. A total of 3,862,749 tons worth about 21,200 million baht were exported during January-October 1984, up 24.7 percent and 20.4 percent, respectively, over 3,097,284 tons worth 17,613 million baht during the same period in 1983. [Excerpt] [Bangkok BANGKOK POST in English 8 Nov 84 p 19]

VANUATU GAINING FAVOR AS TAX HAVEN

Kuching SARAWAK TRIBUNE in English 3 Nov 84 p 10

[Article by Brian Timms]

[Text] Port Vila, Fri. Reuter--The tiny Pacific island nation of Vanuatu is becoming increasingly successful in its bid to become one of the world's great tax havens.

Financiers on the island, once ruled jointly by Britain and France, baulk at the phrase "tax haven," suggesting that it implies a cover for illegal currency deals.

Their description instead is "finance centre," which according to businessmen now ranks among the "pure" havens for funds unfettered by the irritant of taxation.

Vanuatu, its 80 islands fringed with coral and coconut palms, has no personal income tax, no local exchange controls, no capital gains or profit tax and no company income tax.

And to an increasing number of companies, this Pacific paradise is edging closer to matching tax havens such as the Bahamas, Bermuda and the Cayman islands.

Brokers say it is impossible to estimate how much money has moved through Vanuatu in the past year, mostly from Southeast Asia, particularly Hong Kong and the Philippines.

Attraction

The key to Vanuatu maintaining its attraction is a stable government, a point recognised by Walter Lini, an Anglican priest who has been Prime Minister since independence in July 1980.

"As long as we maintain an atmosphere of calm, as it has been up to now, more and more the finance centre will develop and improve," Lini told Reuters.

It usually takes only two or three days to incorporate an exempted company, able to trade offshore but not locally, and so far over 1,000 companies are registered in Vanuatu.

Among benefits for companies is avoidance of income taxes and currency conversion costs, tax-free income and assets, freedom to move funds from country to country and avoidance of death or estate duties.

This is big business for Vanuatu, which this year is expected to obtain the equivalent of 1.2 million C.S. dollars in company and shipping registration fees.

With other venues, the finance centre is estimated to pump about 10 million dollars into Vanuatu's economy, which in 1983 had a balance of payments surplus of two million dollars.

Any balance of payments surplus in a developing third world country is a rarity.

Exemption

The number of ships registered in Vanuatu--the phrase "flag of opportunity" being preferred--has risen from 20 to 60.

And on a hill overlooking port vila, the one main road capital, Vanuatu's success is shown by the full intra: on the desk of Stan Uren, Vanuatu's Registrar of Companies.

By the end of this year about 190 mes companies are expected to be registered, an overall increase of 12 percent allowing for companies ending operations, going into liquidation or being unable to meet obligations.

"But those entering now seem a much better type of company," Uren told Reuters.

Legislation has been introduced in the past few months freeing exempted companies from submitting audited accounts and the need to disclose the identities of their beneficial owners.

Under the Confidential Relations (Preservation) Act linance centre members, six banks, six trust companies, six legal and accounting firms and four foreign exchange dealers, need not disclose information about clients.

'Hot Money'

The new freedoms raise the possibility of "hot" money moving easily in and out of Vanuatu without the need. as rumoured in the old days, of stowing it secretly on ships.

But financiers say that, with reputable firms in Vanuatu responsible for screening clients, the nation will stay free of undesirables.

"Anyway, if huge amounts suddenly started circulating here everyone would get to hear about it. Alarm bells would ring," said one broker.

Most of the 135,000 population are subsistence farmers and copra, fish and beef are still Vanuatu's main exports.

There are about 7,000 expatriates, largely British, French and Australian. They complain about the high duties they have to pay on imported goods in lieu of personal taxation.

There is also a 10 percent government surcharge on hotel and restaurant bills, hitting mostly tourists. There were about 28,000 visitors last year.

But the government is now trying to woo retired expatriates to settle if they have 120,000 U.S. in the bank and a monthly income of 250 U.S. dollars.

All land is owned by the state in Vanuatu, but property can be bought on leases of up to 75 years. "We hope people will come to retire here," said Lini.

BRIEFS

LAND DEVELOPMENT CONTRACT--King Mataapa Faasuamaleaui Patu, seated, (3rd from left), deputy head of state of Western Samoa, signed a multi-million dollar development contract with Macau Co represented by Nam Fong Construction and Real Estate Co Ltd, based in Macau through Lui Feng Yi and Rao Shi Lin, chairman, respectively, (seated, second and 4th from left), and Gemstar Industries, Inc of San Francisco, California represented by its chairman and chief executive officer, Reynaldo Roxas (left), a Filipino businessman. Programmed to start in Feb 1985, the huge project calls for the clearing of 200,000 hectares of forest lands for bananas and hybrid coconut plantations and mills. [Text] [Manila BULLETIN TODAY in English 7 Nov 84 p 8]

BIOGRAPHIC

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Dang Danh Anh [DAWNGJ ZANH ANHS]

Deputy head of the Vocational Science Institute; his article "Developing Technical Thinking for Students--An Important Task of the School for Specialists and Technicians" appeared in the cited source. (DAI HOC VA TRUNG HOC CHUYEN NGHIEP Jul 84 p 10)

Nong The Can [NOONG THEES CAANJ]

Vice Minister of Food Industry; recently he attended the inauguration of expansion activities at the Hanoi Brewery. (HANOI MOI 12 Oct 84 p 4)

Vu Xuan Can [VUX XUAAN CAANJ]

Member of the Secretariat of the Vietnam Confederation of Trade Unions; in October 1984 he attended a sports meet held by the Song Bo State Farm. (LAO DONG 1 Nov 84 p 2)

Ngh Tem Chuong Châu [NCHIEEM CHUWOWNGF CHAAU]

Vice Chairman of the People's Committee, Hanoi; on 13 October 1984 he attended anniversary ceremonies at the Hanoi Broadcasting and Television Station.

(HANOI NOI 14 Oct 84 p 1)

Bui Khac Dung (BUIF KHAWCS ZUNGX)

*Deputy Director of the Water Conservancy Service, Haiphong; he was mentioned in an article about the Water Conservancy Research Institute. (NHAN DAN 26 Oct 84 p 8)

Bach Hung Dao [BACHJ HUWNG DAOF]

*Member of the Standing Committee of the CPV Committee, Nghe Tinh Province; *Head of the Propaganda and Training Department, CPV Committee, Nghe Tinh Province; on 28 September 1984 he attended memorial services for the writer Dang Thai Nai. (VAN NGHE 13 Oct 84 p 15)

Vu Dinh [VUX DINHJ]

*Vice Chairman of the Economics, Plans and Budget Committee, National Assembly; Secretary member of the Vietnam General Confederation of Trade Unions; on 23 October 1984 he attended a meeting with a delegation from the GDR National Assembly. (NHAN DAN 24 Oct 84 p 1)

Nguyên Huu Đức [NGUYEENX HUWUX DUNCS]

*Secretary of the CPV Committee, Thu Duc District, Ho Chi Minh City; on 10 October 1984 he attended ceremonies marking the renaming of a street in his district. (QUAN DOI NHAN DAN 14 Oct 84 p 1)

Hoang Vinh Giang [HOANGF VINHX GIANG]

*Deputy Director of the Physical Education and Sports Service, Hanoi; on 14 October 1984 he attended closing ceremonies of the 2d Capital Physical Education and Sports Congress. (HANOI MOI 16 Oct 84 p 1)

Tran Hoan [TRAANF HOANF]

*Standing member of the Hanoi CPV Committee; on 13 October 1984 he attended anniversary ceremonies at the Hanoi Broadcasting and Television Station.

(HANOI MOI 14 Oct 84 p 1)

Tran Dinh Hoe [TRAANF DINHF HOEF]

Director of the Hanoi Broadcasting and Television Station; on 13 October 1984 he attended ceremonies marking the anniversary of his station. (HANOI MOI 14 Oct 84 p 1)

Dinh Minh KE [DINH MINH KEES]

*Vice Chairman of the People's Committee, Gia Lam District, Hanoi; he was mentioned in an article on agricultural activities in his district. (HANOI MOI 16 Oct 84 p 3)

Pham Van Khai [PHAMJ VAWN KHAIR]

*Member of the Central Committee of the CPV; Deputy Secretary of the CPV Committee, Ho Chi Minh City; on 21 August 1984 he spoke to key district cadres on implementation of the 1984 Economic and Social Program. (Ho Chi Minh City SAIGON GIAI PHONG 26 Aug 84 p 1)

Dinh Van Lu [DINH VAWN LUWX]

Director of the Agriculture Service, Hanoi; his article "Some Experiences in Providing Guidance to the Intensive Rice and Corn Cultivation Areas of Hanoi" appeared in the cited sources. (NHAN DAN 29 Oct 84 p 2)

Mai Van Muon [MAI VAWN MUOON]

Deputy head of the Physical Education and Sports General Department; on 14 October 1984 he attended closing ceremonies of the 2d Capital Physical Education and Sports Congress. (THE DUC THE THAO 20 Oct 84 p 1)

Tran Thong Niem [TRAANF THOONG NIEEMJ]

*Deputy Director of the Agriculture Service, Phu Khanh Province; his article "Phu Khanh's New Advances in 1984 in the Field of Agricultural Production" appeared in the cited source. (NHAN DAN 24 Oct 84 p 2)

Nguyễn Văn Quy [NGUYEENX VANN QUYF]

*Vice President of the Vietnam-France Friendship Association; recently he attended a reception by Chairman of the Council of Ministers Pham Van Dong, for the Secretary General of the France-Vietnam Friendship Association.

(NHAN DAN 26 Oct 84 p 1)

Le Quy [LEE QUYS]

Acting Chairman of the Vietnam Broadcasting and Television Commission; on 13 October 1984 he attended ceremonies marking the anniversary of the Hanoi Broadcasting and Television Station. (HANOI MOI 14 Oct 84 p 1)

Vu Kim Quynh (VUX KIM QUYNHF)

Member of the Secretariat of the Vietnam Confederation of Trade Unions; recently he presided at a conference on inter-ministerial trade union organizations. (LAO DONG 1 Nov 84 p 2)

Houng Nhd Sau [HOANGF NHUW SAUS], deceased

Member of the CPV; deputy head of the Institute of Construction Science and Technology; he died following a serious illness on 13 October 1984. (NHAN DAN 23 Oct 84 p 4)

Ly Van Sau [LYS VAWN SAUS]

Vice Chairman of the Vietnam Broadcasting and Television Commission; on 13 October 1984 he attended ceremonies marking the anniversary of the Hanoi Broadcasting and Television Station. (HANOI MOI 14 Oct 84 p 1)

Nguyễn Đỉnh Sơ [NGUYEENX DINHF SOWR]

Secretary of the CPV Committee, Ha Son Binh Province; on 27 October 1984 he attended a conference on security in his province that was addressed by Political Bureau member Pham Hung. (NHAN DAN 29 Oct 84 p 4)

Hoang Minh Thang [HOANGF MINH THAWNGS]

Member of the Central Committee, CPV; Secretary of the CPV Committee, Quang Nam-Danang Province; on 15 October 1984 he attended ceremonies marking the date of the execution of Nguyen Van Troi. (QUAN DOI NHAN DAN 16 Oct 84 p 4)

Đạo Anh Vu [DAOF ANH VUX]

*Director of the Industry Service, Ho Chi Minh City; on 26 September-11 October 1984 he headed a business and industry delegation on a visit to Vientiane. (QUAN DOI NHAN DAN 14 Oct 84 p 4)

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[Text] July

16 July-2 August. An agricultural delegation of the Malagasy Republic pays a visit to Vietnam.

16-30. A science and technology delegation of the Lao Council of State pays a visit to Vietnam.

- 19. A Vietnamese Party and State delegation, headed by Truong-Chinh, President of the SRV Council of State, and member of the Political Bureau of the CPV Central Committee, ends its official friendship visit to Mongolia. A joint communique is issued in which the two sides express complete agreement on the problems discussed.
- 24-28. A high-level Party and State delegation of the People's Republic of Mozanibique, led by Samora Moires Machel, Commander-in-Chief of the Armed Forces and President of the FRELIMO Party and of the Republic, pays an official friend-ship visit to Vietnam.
- 25. A delegation of the Communist Party of Bietnam leaves Hanoi to attend the Third Congress of the Congolese Party of Labour to be held from 27 to 30 July 1984.
- 26 July-1 August. Holding in Tirana of the sixth session of the Vietnam-Albania Joint Commission for Scientific and Technological Cooperation.
- 26 July-2 August. Vietnamese Foreign Trade Minister Le Khac visits Poland.
- 27. President of the SRV Council of State Truong-Chinh sends a message expressing his best wishes to sick and disabled soldiers, families of fallen combatants and people credited with devoted service to the revolution, on the occasion of the Day of War Invalids and Revolutionary Martyrs.
- 28. The Vietnam Federation of Trade Unions and the Hanoi Federation of Trade Unions hold a grand meeting to mark the 55th anniversary of the foundation of Vietnamese trade unions. On this occasion, the SRV Council of State confers the Golden Star Order on the Vietnam Federation of Trade Unions.

- 29. The Vietnam Photographers' Association holds a sympolium on "Photography and Life."
- 30. The Vietnamese Foreign Ministry issues a statement condemning US armed provocations against Libya.
- --Signing in Vientiane of minutes on cooperation between the Vietnamese and Lao Ministries of Materials and Equipment.
- 31. A delegation of the Ministry of War Invalids and Social Affairs, headed by Minister Song Hao, pays a friendship visit to the Soviet Union. This visit aims at increasing the militant solidarity and friendship cooperation between the two countries in matters concerning disabled soldiers, social affairs, and war veterans.

August

- 1-5. Holding in Phnom Penh of the second session of the Conference of Ministers of Public Health of the three Indochinese countries.
- 2-6. The Vietnam Federation of Trade Unions hold a conference to discuss the implementation of the resolution of the Sixth Plenum of the Central Committee of the Communist Party of Vietnam on urgent tasks for the improvement of economic management.
- 7-8. Hanoi: Holding of a conference of Vice-Chairman and Vice-Ministers of Planning Ministries and Commissions of Vietnam, Laos and Kampuchea.
- 11. A Vietnamese Swimming team attends the 1984 friendship sports competitions in Moscow.
- 15. Opening in Hanoi of a technical meeting on American servicemen missing in Vietnam during the last war following an agreement between the SRV and the USA. The two sides exchange views on this problem. The SRV Government makes clear its humanitarian policy and goodwill in the settlement of the American M.I.A. problem.

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